

**MEETING OF THE BOARD OF DIRECTORS  
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA  
4040 PARAMOUNT BOULEVARD, LAKEWOOD, CALIFORNIA 90712**

**9:00 A.M., FRIDAY, SEPTEMBER 17, 2010**

**AGENDA**

Each item on the agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Items listed as "For Information" or "For Discussion" may also be the subject of an "action" taken by the Board or a Committee at the same meeting.

**1. DETERMINATION OF A QUORUM**

**2. PLEDGE OF ALLEGIANCE**

**3. INVOCATION**

**4. ADDITIONAL ITEMS TO AGENDA**

Determine the need to add items to the agenda. In order for the Board to add an item to the agenda it must make a determination that: (i). The item came to the attention of the Board after the posting of the agenda; (ii). That there is a need for immediate action to be taken by the Board. If these two tests are met, the Board may add the item in question to the agenda for consideration consistent with the provisions of the Brown Act.

**5. PUBLIC COMMENT**

**6. CONSENT CALENDAR**

Consent Calendar items are considered routine by the Board of Directors and will be adopted by one motion. There will be no separate discussion of these items unless a Board Member so requests, in which event the item will be removed from the Consent Calendar and considered separately immediately following action on the remaining items.

**A. MINUTES OF THE MEETING OF JULY 16, 2010**

Staff Recommendation: Approve the minutes as submitted.

**B. FINANCIAL STATEMENTS – JUNE 30, 2010**

Finance Committee Recommendation: Approve the Financial Statements for June 30, 2010.

**C. DEMANDS – JULY 2010**

Finance Committee Recommendation: Receive and file the Demands for July 31, 2010.

**D. FINANCIAL STATEMENTS – JULY 31, 2010**

Finance Committee Recommendation: Approve the Financial Statements for July 31, 2010.

- E. EXPENSES OVER 90 DAYS**  
*Finance Committee Recommendation:* Approve the expense reimbursements for expenses over 90 days.
- F. CONSIDERATION OF RESOLUTION NO. 10- 889 –  
A JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES; THE BOARD OF TRUSTEES OF THE LOS ANGELES COUNTY WEST VECTOR CONTROL DISTRICT; THE BOARD OF DIRECTORS OF THE COUNTY SANITATION DISTRICT NO. 5 OF LOS ANGELES COUNTY (COUNTY SANITATION DISTRICT NO. 5); AND THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES RESULTING FROM ANNEXATION OF TRACT 67377 TO COUNTY LIGHTING MAINTENANCE DISTRICT 1687**  
*Finance Committee Recommendation:* Adopt Resolution No. 10-889.
- G. COMMUNITY BANKING – SELECTION CRITERIA**  
*Finance Committee Recommendation:* No changes to the existing Community Banking Selection Criteria.
- H. FACILITIES MAINTENANCE CONTRACT**  
*Finance Committee Recommendation:* Approve a new contract with Jan-Pro Cleaning Systems for three year as follows: Year 1 - \$32,900 + 10% allowance = \$36,200; Year 2 - \$33,900 + 10% allowance = \$37,300; and Year 3 - \$35,300 + 10% allowance = \$38,800.
- I. TIME AND FEE AMENDMENT TO MWH LABORATORIES AGREEMENT FOR WATER QUALITY TESTING**  
*Groundwater Quality Committee Recommendation:* Amend the existing contract with MWH Laboratories, subject to approval of form by District Counsel, to extend the termination date to June 30, 2014 and increase the budgetary amount by an additional \$4,450,000, plus a \$225,000 contingency, for a total Board authorized amount of \$4,675,000.
- J. WATER RESEARCH FOUNDATION RENEWAL**  
*Water Resources Committee Recommendation:* Renew the annual subscription with the Water Research Foundation in the amount of \$51,537 for the period October 2010 to September 2011.
- K. ALSTON & BIRD CONTRACT AMENDMENT**  
*Ad Hoc Legal Selection Committee Recommendation:* Approve and execute the amendment to the Agreement with Alston and Bird for a term of 60-days renewing automatically until other action is taken by the Board of Directors.
- L. CALIFORNIA CONTRACT CITIES ASSOCIATION MEMBERSHIP**  
*External Affairs Committee Recommendation:* Approve membership to the California Contract Cities Association as an Associate Member in the \$3,000 Bronze membership level.

7. **UPDATE FROM THE GROUNDWATER QUALITY COMMITTEE –SCIENCE ADVISORY PANEL ON CHEMICALS OF EMERGING CONCERN**  
*Groundwater Quality Committee Recommendation:* For information.
8. **OMEGA CHEMICAL SUPERFUND SITE**  
*Staff Recommendation:* For information.
9. **TIER 1 WATER PURCHASE AGREEMENT WITH CENTRAL BASIN MWD**  
*Staff Recommendation:* Authorize the General Manager to enter into an agreement with Central Basin Municipal Water District, subject to approval of form by District Counsel, for the purchase of untreated Tier 1 imported water for groundwater replenishment between October 1, 2010 and April 30, 2011 (within the District's current Fiscal Year).
10. **GENERAL MANAGER'S REPORT**
11. **DISTRICT COUNSEL'S REPORT**
12. **AB 1234 COMPLIANCE REPORTS AND DIRECTORS' REPORTS**
13. **WRD BOARD MEETING DATES**
  - A. October 15, 2010 – 9:00 a.m. – Board of Directors Meeting
  - B. November 19, 2010 – 9:00 a.m. – Board of Directors Meeting
  - C. December 17, 2010 – 9:00 a.m. – Board of Directors Meeting
  - D. January 21, 2011 – 9:00 a.m. – Board of Directors Meeting
14. **CLOSED SESSION**
  - A. Conference with Legal Counsel – Existing Litigation, pursuant to Government Code § 54956.9(a), California Water Service Company, et al. v. City of Compton, et al., Case No. 506 806
  - B. Conference with Legal Counsel – Existing Litigation, pursuant to Government Code § 54956.9(a) Central and West Basin Water Replenishment District v. Charles Adams; L.A.S.C. Case No. 786,656
  - C. Conference with Labor Negotiator: Clifton Albright  
Employee Organization: American Federation of State, County and Municipal Employees (AFSCME)
  - D. Conference with Legal Counsel – Pending Litigation  
Pursuant to Government Code §54956.9  
Name of Case: City of Cerritos, City of Downey and City of Signal Hill v. Water Replenishment District of Southern California  
Case No.: Los Angeles County Superior Court BS128136
15. **ADJOURNMENT**

Agenda posted by Abigail C. Andom, Deputy Secretary, September 14, 2010. In compliance with ADA requirements, this document can be made available in alternative formats upon request.

In compliance with the Americans with Disabilities Act (ADA), if special assistance is needed to participate in the Board meeting, please contact Deputy Secretary Abigail Andom at (562) 921-5521 for assistance to enable the District to make reasonable accommodations.

All public records relating to an agenda item on this agenda are available for public inspection at the time the record is distributed to all, or a majority of all, members of the Board. Such records shall be available at the District office located at 4040 Paramount Boulevard, Lakewood, California 90712.

Agendas and minutes are available at the District's website, [www.wrd.org](http://www.wrd.org).

UNAPPROVED  
MINUTES

UNAPPROVED  
MINUTES

**MINUTES OF JULY 16, 2010  
MEETING OF THE BOARD OF DIRECTORS  
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA**

A meeting of the Board of Directors of the Water Replenishment District of Southern California was held on July 16, 2010 at 9:11 a.m. in the District office located at 4040 Paramount Boulevard, Lakewood, California. President Sergio Calderon called the meeting to order. Deputy Secretary Abigail C. Andom recorded the minutes.

**1. DETERMINATION OF A QUORUM**

President Calderon declared that a quorum of Directors was present, which in addition to himself included Directors Lillian Kawasaki, Rob Katherman and Albert Robles. Director Willard H. Murray, Jr. was excused.

**2. PLEDGE OF ALLEGIANCE**

Director Robles led the Pledge of Allegiance.

**3. INVOCATION**

President Calderon gave the invocation.

**4. ADDITIONAL ITEMS TO AGENDA**

None.

**5. PUBLIC COMMENT**

Ivan Crosbie, President-elect of the Lynwood Chamber of Commerce, presented a partnership proposal to the Board. Mr. Crosbie also introduced the Chamber's Immediate Past-President Maria Jesus Garcia and Chief Financial Officer Javier Pacheco.

President Calderon thanked Mr. Crosbie and stated that the proposal will be referred to the External Affairs Committee for review and recommendation.

Director Robles thanked Mr. Crosbie and Ms. Garcia and welcomed them to the Board meeting.

Donna Varner, West Basin Water Association, informed everyone that the Central Basin Water Association and West Basin Water Association joint luncheon will be on August 11, 11:30 a.m., at the Carson Community Center.

Gustavo Villa, General Manager of Maywood Mutual #2, thanked the Board for considering Agenda Item No. 6.C which is a loan amendment to Maywood Mutual No. 2's existing loan agreement under the District's Safe Drinking Water Program to remediate Well 52 currently affected by iron and manganese. Mr. Villa expressed his appreciation to General Manager Robb Whitaker, Engineer Charlene King, and the Board members for their hard work and commitment to providing reliable, safe and clean water for the City of Maywood.

Director Katherman stated that, although water supply concerns can be overwhelming, it is just equally important to protect groundwater quality. President Calderon concurred and reiterated the District's commitment and support of wellhead treatment projects.

## **6. CONSENT CALENDAR**

- A. MINUTES OF THE MEETING OF MAY 11, 2010**
- B. MINUTES OF THE SPECIAL MEETING OF MAY 11, 2010**
- C. SAFE DRINKING WATER PROGRAM – MAYWOOD MUTUAL NO. 2 – WELL 52<sup>ND</sup> AMENDMENT**

**D. NO COST TIME EXTENSION WITH USGS FOR GROUNDWATER MODELING AND HYDROGEOLOGIC INVESTIGATIONS**

**E. RECRUITMENT FIRM CONTRACT APPROVAL**

Director Robles asked that Agenda Item 6.E be removed from the agenda.

Upon a motion duly made by Director Katherman, seconded by Director Robles, and unanimously approved, it was

**RESOLVED:** That the Board approves the Consent Calendar of July 16, 2010, as amended.

**6.E. RECRUITMENT FIRM CONTRACT APPROVAL**

Director Robles stated that on June 18, 2010, the Board awarded a contract to a search firm to perform the recruitment search for the Assistant General Manager position for a not to exceed amount of \$27,000. He stated that he wanted clarification as to the reason why the item is before the Board again today giving the General Manager authority to choose, at his discretion, three other recruitment firms to perform the same effort.

General Manager Robb Whitaker responded that, due to scheduling issues, the recruitment firm originally awarded the contract is not able to meet the District's desired time line. He stated that, if the Board so desires, he could provide his choice of recruitment firm at the meeting today. Discussion followed.

Upon a motion duly made by Director Robles, seconded by Director Kawasaki, and unanimously approved, it was

**RESOLVED:** That the Board authorizes the General Manager to enter into contracts with either The Roberts Consulting Group or Alliance Resource Consulting, Inc. or

Bob Murray and Associates, at his discretion, for the search of the Assistant General Manager and Water Quality Program Manager positions.

**7. GROUNDWATER BASINS MASTER PLAN**

Senior Engineer Jason Weeks provided a presentation on the status of the master plan for the Central and West Coast Basins and an overview of the tasks identified in the effort. Mr. Weeks explained that master planning efforts will provide the District with the necessary information to proactively plan for future basin operations in light of recent changes in imported water availability and costs. He noted that Phase 1 of the Groundwater Basins Master Plan is expected to be completed by Fall 2010 and Phase 2 in late Spring 2011 by consultants CH2MHILL and RMC Water and Environment (RMC). Mr. Weeks stated that he would also like to recognize the contributions of the Los Angeles Department of Water and Power and West Basin Municipal Water District in moving the Plan forward.

Upon a motion duly made by Director Robles, seconded by Director Katherman, and unanimously approved, it was

RESOLVED: That the Board amends the existing contract with CH2MHILL, subject to approval of form by District Counsel, to perform the Central Basin portion of the Groundwater Basins Master Plan for a cost not to exceed \$600,000 plus a 10% contingency of \$60,000, for a total Board authorized cost not to exceed \$660,000.

**8. GENERAL MANAGER'S REPORT**

General Manager Whitaker stated that District staff attended the Integrated Regional Water Management Plan (IRWMP) Leadership Committee meetings and discussions were held on selection of projects for inclusion in a grant application that will be submitted to

the Department of Water Resources (DWR) for funding later this year. Mr. Whitaker noted that two District projects, the Leo J. Vander Lans Water Treatment Facility Expansion and the Whittier Narrows Conservation Pool project, were selected by the Leadership Committee for inclusion in the grant application, for a total fund request of \$3 million. He stated that staff will continue to provide a progress report to the Board on the matter.

**9. DISTRICT COUNSEL REPORT**

Deferred to closed session.

**10. AB 1234 COMPLIANCE REPORTS AND DIRECTORS' REPORTS**

Director Kawasaki stated that she would submit her report in writing.

Director Katherman stated that he attended the Independent Cities Association Seminar, July 8-11, 2010 in Rancho Bernardo. He also informed everyone that his wife was invited to participate in a MWD State Water Project Tour held June 18-20, 2010 and he attended as her guest.

Director Robles stated that he would submit his report in writing.

President Calderon stated that he would submit his report in writing. He stated that he also attended the Independent Cities Association Seminar. He also thanked WRD staff for all their work.

**11. WRD BOARD MEETING DATES**

- A. August 20, 2010 – 9:00 a.m. – Board of Directors Meeting
- B. September 17, 2010 – 9:00 a.m. – Board of Directors Meeting
- C. October 15, 2010 – 9:00 a.m. – Board of Directors Meeting
- D. November 19, 2010 – 9:00 a.m. – Board of Directors Meeting

## 12. CLOSED SESSION

- A. Conference with Legal Counsel – Existing litigation, pursuant to Government Code §54956.9(a), California Water Service Company, et al. v. City of Compton, et al., Case No. 506 806
- B. Conference with Legal Counsel – Existing litigation, pursuant to Government Code §54956.9(a), Central and West Basin Water Replenishment District v. Charles Adams; L.A.S.C. Case No. 786, 656
- C. Conference with Labor Negotiator: Clifton Albright  
Employee Organization: American Federation of State County & Municipal Employees (AFSCME)
- D. Conference with Legal Counsel – Anticipated Litigation, pursuant to Government Code §54956.9(b), Three Cases

The Board went into closed session. The Board reconvened in open session.

District Counsel Jamie Casso reported that for Agenda Item 12 A., 12.C, and 12.D, no reportable action was taken. For Agenda Items 12.B, a vote was taken, the vote was 4-0, and no reportable action was taken.

## 13. ADJOURNMENT

President Calderon asked if there was any further business to come before the Board, and there being none the meeting was adjourned at 12:20 p.m.

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Sergio Calderon, President

ATTEST:

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Willard H. Murray, Jr., Secretary



## MEMORANDUM

### ITEM NO. 6.B

*Prepared by:* Scott M. Ota

*Reviewed by:* Scott M. Ota

*Approved by:* Robb Whitaker

**DATE: SEPTEMBER 17, 2010**

**TO: BOARD OF DIRECTORS**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: FINANCIAL STATEMENTS – JUNE 30, 2010**

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The attached financial statements include the Statement of Net Assets (Balance Sheet) as of June 30, 2010 and the Statement of Revenues, Expenditures and Changes in Net Assets (Income Statement) for the month ending June 30, 2010. Explanation of selected account balances are as follows:

### Statement of Net Assets

#### **ASSETS**

Cash & Cash Equivalents/Restricted Cash – Decrease is mainly due to the purchase of Tier 1 untreated spreading water from CBMWD and Long Beach Water Department.

Accounts Receivable – Due to the timing of the month end close for May 2010, the Finance Department did not recognize May revenue until June. Therefore, we have accounted for two months of revenue in June. Correspondingly, we have recognized two months of accounts receivable in June as well (see Revenue –Replenishment Assessment below)

Prepaid Expenses – In September 2009, the WRD purchased 2,000 acre feet of water from the City of Long Beach and stored this water for future use at the Alamitos Seawater Intrusion Barrier. In March 2010, the WRD started using this banked water at the Alamitos Barrier and therefore the prepaid asset representing this pre-purchase has decreased \$198,000 in June.

Notes Receivable – The increase of \$167,000 in Notes Receivable is due to payments made to the City of Lakewood and Maywood Mutual Water Company Number 2 to construct wellhead treatment system. The District will receive the annual payments related to these loans over a 10 years period, starting after the construction is completed.

Plant & Equipment – This account increased due to transfer of capital costs of the administrative building to depreciable assets.

## LIABILITIES

Accounts Payable – The decrease in accounts payable is primarily due to payments to CBMWD and Long Beach Water Department for the purchase of Tier 1 untreated spreading water to recharge the groundwater aquifers (see cash above and cost of water below).

Interest Payable – The account increased about \$136,000 due to the monthly accrual of the interest expense related to the District's 2004 and 2008 debt issuances.

Accrued Post Employment Payable – The increase is due to the annual accrual of Other Post Employment Benefit (OPEB) liability as required by the Government Accounting Standards Board Statement No. 45 (GASB 45).

## NET ASSETS

Invested in Capital Assets – This is a formula and is related to the changes in all capital asset accounts:

<u>Accounts</u>		<u>Change</u>
Plant & Equipment	\$	171,707
Construction-In-Progress		(79,608)
Accumulated Depreciation		<u>(185,095)</u>
Total		<u>\$ (92,996)</u>

Unrestricted – The Change/Variance of Total Assets, Total Liabilities and Invested in Capital Assets from May to June is \$1,811,739.

## Statement of Revenues, Expenditures and Changes in Net Assets

### REVENUE

Replenishment Assessment – Due to the timing of the month end close for May 2010, we did not recognize the revenue related to May until the month of June. Therefore, we have accounted for two months of revenue in June. The amount recognized in June is materially consistent with the monthly revenue for January – April that averaged about \$4.4 per month.

### EXPENSES

Cost of Water - Decreased of \$5.1 million mainly due to the purchase of Tier 1 untreated spreading water from CBMWD and Long Beach Water Department to recharge the groundwater aquifers that recorded in May (see correspondence decreases in cash & accounts payable above).

Salary, Taxes & Benefits – The increase of 286,000 was primarily due to processing three payrolls in the month of June, as well as the year- end accrual of payroll liability for financial statement purposes in accordance with Generally Accepted Accounting Principals (GAAP).

Post Employment Benefits – Increased approximately \$533,000 from the prior month because the WRD only accrues for these benefits at the end of each fiscal year in order to recognize Other Post Employment Benefits (OPEB) as required by the Government Accounting Standards Board Statement No. 45 (GASB 45).

Professional Fees – For year-end reporting purposes, the Finance staff must make sure that the WRD receives all invoices for materials and services prior to closing the accounting records. This helps to ensure that the District is properly accounting for expenses in the time period in which they occur. Therefore, staff has obtained all outstanding invoices and has properly accrued for these expenses prior to the fiscal year ended June 30, 2010. These outstanding invoices accounts for an increase of \$583,000 over the prior month.

**FISCAL IMPACT**

None.

**FINANCE COMMITTEE RECOMMENDATION**

Approve the Financial Statements for June 30, 2010.

**Water Replenishment District of Southern California**  
**Statement of Net Assets**  
**June 30, 2010**

Assets	Total	Prior Month Total	Variance
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 26,489,010	\$ 33,126,852	(6,637,842)
Restricted Cash	16,778,078	17,328,010	(549,932)
Accounts Receivable	9,959,133	4,326,102	5,633,031
Interest Receivable	57,476	37,712	19,764
Prepaid Expenses	347,405	545,720	(198,314)
<b>Total Current Assets</b>	<b>\$ 53,631,103</b>	<b>\$ 55,364,396</b>	<b>(1,733,293)</b>
<b>Noncurrent Assets</b>			
Notes Receivable, Noncurrent	\$ 3,977,509	\$ 3,810,614	166,895
Plant & Equipment	62,107,789	61,936,082	171,707
Land	2,644,753	2,644,753	(0)
Construction-In-Progress	7,719,568	7,799,176	(79,608)
Deferred Charges	782,332	812,647	(30,315)
Accumulated Depreciation	(15,609,662)	(15,424,567)	(185,095)
<b>Total Noncurrent Assets</b>	<b>\$ 61,622,289</b>	<b>\$ 61,578,706</b>	<b>73,899</b>
<b>Total Assets</b>	<b>\$ 115,253,392</b>	<b>\$ 116,943,102</b>	<b>(1,689,710)</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 5,556,689	\$ 9,719,134	(4,162,446)
Interest Payable - Bond	679,357	543,485	135,871
Accrued Payroll	48,152	-	48,152
Accrued Employee Benefits	17,025	(38,413)	55,438
Accrued Postemployment	1,482,442	948,976	533,466
Deferred Compensation	14,424	-	14,424
Cal Trans 0690	6,017,235	6,089,946	(72,711)
Long term Debt - Bond Payable	32,175,300	32,158,447	16,853
Other Liabilities	-	-	-
<b>Total Current Liabilities</b>	<b>\$ 45,990,624</b>	<b>\$ 49,421,576</b>	<b>(3,430,952)</b>
<b>Noncurrent Liabilities</b>			
Compensated Absences	\$ 344,522	\$ 322,022	\$ 22,500
<b>Total Noncurrent Liabilities</b>	<b>\$ 344,522</b>	<b>\$ 322,022</b>	<b>\$ 22,500</b>
<b>Total Liabilities</b>	<b>\$ 46,335,146</b>	<b>\$ 49,743,598</b>	<b>(3,408,453)</b>
<b>Net Assets</b>			
Invested in Capital Assets	\$ 56,862,448	\$ 56,955,444	(92,996)
Unrestricted	12,055,798	10,244,059	1,811,739
<b>Total Net Assets</b>	<b>\$ 68,918,246</b>	<b>\$ 67,199,504</b>	<b>1,718,743</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 115,253,392</b>	<b>\$ 116,943,102</b>	<b>(1,689,710)</b>

**Water Replenishment District of Southern California**  
**Statement of Revenues, Expenditures and Changes in Net Assets**  
**For the Month of June 2010**

	Total	Prior Month Total	Variance
<b>Revenues</b>			
<b>Operating Revenues</b>			
Water Replenishment Assessments	7,890,268	3,558,375	4,331,893
Late Payment Penalties	-	-	-
MWD Subsidy	131,465	28,712	102,753
OCWD Recycled Water Product	73,197	12,238	60,959
Desalter Revenue	104,060	-	104,060
Title 22 Monitoring Program	43,175	-	43,175
<b>Total Operating Revenues</b>	<u>8,242,166</u>	<u>3,599,325</u>	<u>4,642,840</u>
<b>Operating Expenses</b>			
<b>Cost of Water</b>			
Spreading	239,529	7,240,877	(7,001,348)
Injected	3,346,699	1,609,303	1,737,396
In-Lieu	-	-	-
Connection Fees	202,069	46,543	155,526
<b>Total Cost of Water</b>	<u>3,788,297</u>	<u>8,896,723</u>	<u>(5,108,426)</u>
<b>General &amp; Administrative</b>			
Salaries, Taxes & Benefits	663,350	377,174	286,175
Postemployment Benefits	533,466	-	533,466
Conference & Travel	29,827	14,428	15,398
Office Expenses	135,501	77,235	58,266
Utilities	24,387	13,745	10,642
Rents & Leases	5,019	5,683	(664)
Repairs & Maintenance	16,657	24,441	(7,784)
Material & Equipment	31,442	44,303	(12,861)
General Liability Insurance	15,098	38,123	(23,026)
Professional Fees	941,845	358,408	583,437
Other General & Administrative	225,893	51,921	173,971
<b>Total General &amp; Administrative</b>	<u>2,622,483</u>	<u>1,005,462</u>	<u>1,617,021</u>
Depreciation	215,410	185,095	30,315
			-
<b>Total Operating Expenses</b>	<u>6,626,191</u>	<u>10,087,280</u>	<u>(3,461,090)</u>
<b>Operating Income (Loss)</b>	<u>1,615,975</u>	<u>(6,487,955)</u>	<u>8,103,930</u>
<b>Non-Operating Revenues (Expenses)</b>			
<b>Revenues</b>			
Property Taxes	18,188	35,531	(17,343)
Investment Earnings	25,422	5,457	19,965
Miscellaneous	-	10	(10)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>43,609</u>	<u>40,998</u>	<u>2,612</u>
<b>Income (Loss) Before Contributions</b>	1,659,585	(6,446,957)	8,106,542
<b>Contributions</b>			
Capital Contributions- Grant	60,577	-	60,577
<b>Change in Net Assets</b>	<u>1,720,161</u>	<u>(6,446,957)</u>	<u>8,167,119</u>



**MEMORANDUM**

**ITEM NO. 6.C**

*Prepared by: Binhyen Bui  
Reviewed by: Scott M. Ota  
Approved by: Robb Whitaker*

**DATE: SEPTEMBER 17, 2010**  
**TO: BOARD OF DIRECTORS**  
**FROM: ROBB WHITAKER, GENERAL MANAGER**  
**SUBJECT: DEMANDS - JULY 2010**

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**SUMMARY**

At the request of the Finance Committee, the following items are attached:

- 1. The demands list for the period July 1st, 2010 –July 31st, 2010.
- 2. The demands sorted by vendor with an additional column showing fiscal year-to-date payments

**Demands Summary – July 2010**

Replenishment Fund	\$ 6,006,025.32
Clean Water Fund	<u>355,693.76</u>
Total	<u>\$ 6,361,719.08</u>

**FINANCE COMMITTEE RECOMMENDATION**

Receive and file the Demands for July 31, 2010.



DIRECTORS

SERGIO CALDERON, PRESIDENT  
 LILLIAN KAWASAKI, VICE PRESIDENT  
 WILLARD H. MURRAY, JR., SECRETARY  
 ROBERT KATHERMAN, TREASURER  
 ALBERT ROBLES, DIRECTOR

ROBB WHITAKER, P.E., GENERAL  
 MANAGER

September 17, 2010

Board of Directors  
 Water Replenishment District of Southern California

Submitted herewith for action by the Board of Directors are the following demands for the period ending July 31, 2010

Check #	Payee	Description	Total	Replenishment Fund	Clean Water Fund
DD	ALBERT ROBLES	06/10 DIRECTOR'S COMPENSATION	2,601.39	2,445.30	156.09
DD	ALBERT ROBLES	06/10 EXPENSE REIMBURSEMENT	553.40	520.21	33.19
P0033	LILLIAN Y. KAWASAKI	06/10 DIRECTOR'S COMPENSATION	584.11	549.05	35.06
P0033	LILLIAN Y. KAWASAKI	06/10 EXPENSE REIMBURSEMENT	2,386.27	2,243.09	143.18
DD	SERGIO J. CALDERON	06/10 DIRECTOR'S COMPENSATION	2,099.86	1,973.86	126.00
DD	SERGIO J. CALDERON	06/10 EXPENSE REIMBURSEMENT	82.46	77.53	4.93
DD	SERGIO J. CALDERON	07/10 DIRECTOR'S COMPENSATION	1,926.90	1,811.28	115.62
P0034	ROBERT E. KATHERMAN	06/10 EXPENSE REIMBURSEMENT	996.73	936.93	59.80
DD	AFSCME LOCAL 1902 UNION	UNION DUES	577.80	461.43	116.37
DD	AFSCME LOCAL 1902 UNION	UNION DUES	577.80	479.10	98.70
DD	EDD	DIR STATE TAX W/H	160.34	150.73	9.61
DD	EDD	STATE TAX DEPOSIT	5,342.07	4,444.15	897.92
DD	EDD	STATE TAX DEPOSIT	5,388.37	4,549.14	839.23
DD	EMPLOYEE PAYROLL	SALARY EXPENSE	78,573.74	65,029.05	13,544.69
DD	EMPLOYEE PAYROLL	SALARY EXPENSE	71,452.69	60,620.46	10,832.23
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	3,580.35	3,365.53	214.82
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	2,029.66	1,907.88	121.78
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	6,102.43	5,736.29	366.14
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	100.85	94.80	6.05
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	63.28	59.48	3.80
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	4,038.98	3,796.64	242.34
DD	FLEX-PLAN SERVICES, INC	HRA REIMBURSEMENT	9,982.81	9,383.85	598.96
DD	FLEX-PLAN SERVICES, INC	FSA REIMBURSEMENT	772.00	772.00	-
DD	FLEX-PLAN SERVICES, INC	MONTHLY ADMIN SERVICE	1,935.30	1,819.18	116.12
DD	INTERNAL REVENUE SERVICE	DIR FEDERAL TAX DEPOSIT	3,332.48	3,132.50	199.98
DD	INTERNAL REVENUE SERVICE	FEDERAL TAX DEPOSIT	30,220.31	24,843.54	5,376.77
DD	INTERNAL REVENUE SERVICE	FEDERAL TAX DEPOSIT	30,201.91	25,507.57	4,694.34
DD	PARS	DIR PARS PAYMENT	3,451.24	3,451.24	-
DD	PRUDENTIAL	DIR DEFERRED COMP	7,722.78	7,259.47	463.31
DD	PRUDENTIAL	DEFERRED COMP	21,886.97	17,631.92	4,255.05
DD	PRUDENTIAL	DEFERRED COMP	21,886.97	18,906.55	2,980.42
DD	PERS	DIR PERS PAYMENT	676.51	676.51	-
DD	PERS	PERS PAYMENT	30,762.82	25,187.52	5,575.30
DD	PERS	PERS PAYMENT	30,926.14	26,279.82	4,646.32
1253	LAUSD-HENRY GAGE MIDDLE SCHOOL	2010 MUSIC & ART FEST EVENT	(1,500.00)	(1,410.00)	(90.00)
1563	ALBRIGHT, YEE & SCHMIT	LEGAL SERVICES THRU 04/30/10	9,999.99	9,399.99	600.00
1564	AT&T MOBILITY	MONTHLY CELL PHONE SVC-RW	146.56	137.77	8.79
1565	FEDERAL EXPRESS	FEDEX SERVICE	60.33	56.71	3.62
1566	LA EXPRESS ONE	COURIER SERVICE	133.76	125.74	8.02
1567	LAKEWOOD, CITY OF	WATER USAGE THRU 06/17/10	190.55	179.12	11.43
1568	McMASTER	011: FIELD SUPPLIES	1,015.37	507.68	507.69
1569	OFFICE TEAM	TEMP SERVICE THRU 06/18/10	2,468.63	2,320.51	148.12
1570	PROMERICA BANK	FUND TRANSFER FROM EWB	2,000,000.00	1,880,000.00	120,000.00
1571	VOID	VOID	-	-	-
1572	XEROX CORPORATION	06/10 COPIER SERVICE - TR#5	1,371.90	1,289.58	82.32
1573	CENTRAL BASIN MWD	05/10 WATER PURCHASE	13,943.40	13,943.40	-
1574	LA ECONOMIC DEVELOPMENT	FY10/11 MEMBERSHIP DUES	5,000.00	4,700.00	300.00
1575	WEST BASIN MWD	05/10 WATER PURCHASE	1,560,119.26	1,560,119.26	-
1576	LAKEWOOD SELF STORAGE	07/01/10-07/01/11 STORAGE RENTAL	5,742.00	5,397.48	344.52
1577	SOUTHERN CALIFORNIA EDISON CO	011: 07/01/10-06/30/15 PERMIT FEES-LB#3	3,306.00	1,653.00	1,653.00
1578	SOUTHERN CALIFORNIA EDISON CO	001: 07/01/10-06/30/15 PERMIT FEES-LJVL	5,750.00	5,750.00	-
1579	SO CAL IMMEDIATE MEDL CENTER	MEDICAL SERVICE	25.00	23.50	1.50
1580	LOS ANGELES COUNTY DPW	001: ACCESS PERMIT FEES	50.00	50.00	-
1582	BENNETT SAMPLE PUMPS	018: FIELD SUPPLIES	8,141.25	8,141.25	-

Check #	Payee	Description	Total	Replenishment Fund	Clean Water Fund
1583	BOYS & GIRLS CLUBS OF SOUTH BAY	AFTER SCHOOL PROGRAM SPONSOR	500.00	470.00	30.00
1584	CALIFORNIA WATER SERVICE	WATER USAGE THRU 06/17/10	56.05	52.69	3.36
1585	CATHOLIC CEMETERIES OF LA	CHECK DEPOSIT IN ERROR	269.29	253.13	16.16
1586	CH2M HILL	001: PROF SERVICE THRU 05/28/10	67,014.96	67,014.96	-
1587	COLO RIVER WATER USERS ASSOC	2010 MEMBERSHIP DUES - AR	120.00	112.80	7.20
1588	COUNTY SANITATION DISTRICT 2	03/10 WATER PURCHASE - SJC	129,258.43	129,258.43	-
1589	COUNTY SANITATION DISTRICT 2	04/10 WATER PURCHASE - SJC	119,735.01	119,735.01	-
1590	DMJ CONSULTING GROUP	011: PROF SERVICE THRU 06/23/10	32,240.30	16,120.16	16,120.14
1591	ET WATER SYSTEMS	06/01/10-05/31/11 IRRIGATION FEE	258.00	242.52	15.48
1592	FEDERAL EXPRESS	FEDEX SERVICES	219.55	206.37	13.18
1593	VOID	VOID	-	-	-
1594	INSTRUMENTATION NORTHWEST	001: FIELD EQUIPMENT	2,731.71	2,731.71	-
1595	LONG BEACH, CITY OF	07/09-12/09 CAPACITY RSV CHRGS	26,304.65	26,304.65	-
1596	McMASTER	018: FIELD SUPPLIES	645.95	645.95	-
1597	MWH LABORATORIES	02/10 LAB SERVICES	3,578.00	2,754.00	824.00
1598	MR ROOTER PLUMBING	06/11/10 MAINTENANCE SERVICE	216.00	203.04	12.96
1599	OFFICE TEAM	TEMP SERVICE THRU 06/25/10	2,752.00	2,586.88	165.12
1600	ORANGE COUNTY WATER DISTRICT	001: PROF SERVICE THRU 04/31/10	20,763.39	20,763.39	-
1601	PACIFIC COACHWAYS CHARTER	GRNDWTR TOUR BUS RENTAL	500.00	470.00	30.00
1602	POSTAGE BY PHONE	POSTAGE DEPOSIT	2,000.00	1,880.00	120.00
1603	RMC WATER AND ENVIRONMENT	033: PROF SERVICE THRU 05/28/10	42,297.65	42,297.65	-
1604	ROBERT HALF TECHNOLOGY	TEMP SERVICE THRU 05/07/10	405.00	380.70	24.30
1605	STAR OFFICE PRODUCTS	OFFICE SUPPLIES	412.97	388.19	24.78
1606	T & A SIGNS	BANNER STAND	202.11	189.98	12.13
1607	USCSB	004: PROF SERVICE	6,445.50	6,445.50	-
1611	BEACHCOMBER	06/04/10 NEWSPAPER AD	330.00	310.20	19.80
1612	BUZZ BASKETBALL ACADEMY	CLUB SPONSORSHIP	2,500.00	2,350.00	150.00
1613	FM THOMAS AIR CONDITIONING	06/11/10 AC MAINT SERVICE	1,118.06	1,050.97	67.09
1614	WATER WISE CONSULTING	WATER WELL EDU WORKSHOP	2,400.00	2,256.00	144.00
1615	THE LA COUNTY 4-H LEADERS' COUNCIL	4-H CAMP SPONSORSHIP	4,999.97	4,699.97	300.00
1616	THE LA COUNTY 4-H LEADERS' COUNCIL	4-H CAMP SPONSORSHIP	4,999.97	4,699.97	300.00
1617	1-800-CONFERENCE(R)	025: 06/15/10 CONFERENCE CALLS	89.25	44.63	44.62
1618	ACWA - HBA	08/10/ MED/DEN/LIFE PRMIUM	50,558.80	47,525.28	3,033.52
1619	AMERICAN INSTITUTE OF	08/01/10-07/31/11 MEMB DUES-SO	555.00	521.70	33.30
1620	AT&T	002: MONTHLY PHONE SVC	232.58	-	232.58
1621	CHEVRON AND TEXACO	06/10 FUEL CHARGES	51.98	48.86	3.12
1622	DANNY L. GLASGOW	MEDICAL REIMBURSEMENT	1,664.50	1,564.63	99.87
1623	F&M BANK: CC PAYMENT	06/10 CC CHARGES	6,644.51	6,245.83	398.68
1624	FEDERAL EXPRESS	FEDEX SERVICE	555.87	482.12	73.75
1625	HELPMATES STAFFING	TEMP SERVICE THRU 06/27/10-MC	2,004.64	1,884.37	120.27
1626	JAN-PRO CLEANING	07/10 JANITORIAL SERVICE	2,743.00	2,578.42	164.58
1627	MARTIN E WHELAN. JR.	08/10 MEDICAL PREMIUM	736.33	692.15	44.18
1628	OFFICE TEAM	TEMP SERVICE THRU 07/02/10	1,376.00	1,293.44	82.56
1629	PACIFIC FORD	011: TRUCK REPAIR SVC	220.12	110.06	110.06
1630	PARS	05/10 REP FEES	500.00	470.00	30.00
1631	PBCC	07/20/10-10/20/10 METER LEASE	1,327.13	1,247.50	79.63
1632	SOUTHERN CALIFORNIA EDISON	08/10 ENERGY USAGE	31,118.64	4,043.66	27,074.98
1633	STAR OFFICE PRODUCTS	OFFICE SUPPLIES	753.72	708.50	45.22
1634	VERIZON CALIFORNIA	MONTHLY PHONE CHARGES	341.85	321.34	20.51
1635	VERIZON WIRELESS	MONTHLY CELL PHONE SVC	694.41	652.75	41.66
1636	WESTERN EXTERMINATOR	06/10 PESTICIDE SERVICE	65.00	61.10	3.90
1637	XEROX CORPORATION	07/10 COPIER SERVICE	3,479.51	3,270.74	208.77
1638	US BANK TRUST N.A.	2004 COP PRINCIPAL & INTEREST	651,528.14	612,436.46	39,091.68
1639	US BANK TRUST N.A.	2008 COP PRINCIPAL & INTEREST	803,700.00	755,478.00	48,222.00
1640	ARCADIA SIGN COMPANY	DISTRICT BUILDING SIGN	1,150.74	1,081.69	69.05
1641	LONG BEACH, CITY OF	LEGAL SERVICE THRU 07/09-MEYERS NAVE	4,383.29	4,120.29	263.00
1647	LONG BEACH, CITY OF	001: PROF SERVICE THRU 05/28/10	9,889.82	9,889.82	-
1648	VERIZON BUSINESS	MONTHLY INTERNET SERVICE	622.93	585.55	37.38
1649	MEYERS & NAVE	05/10 LEGAL SERVICE-ADMIN	45,546.81	41,333.21	4,213.60
1650	MUNICIPAL INFO SYSTEMS ASSOC OF CA	2010 MEMBERSHP DUES	240.00	225.60	14.40
1651	LONG BEACH, CITY OF	LEGAL SERVICE THRU 03/10-MEYERS NAVE	4,929.37	4,633.62	295.75
1652	THE GAS COMPANY	MONTHLY UTILITY CHARGES	115.66	108.72	6.94
1653	WATER WISE CONSULTING	03/13/10 WTRWELL EDU WORKSHOP	3,900.00	3,666.00	234.00
1654	XO CORPORATION	PHONE CHARGES THRU 08/14/10	100.12	94.11	6.01
1655	COLORADO SCHOOL OF MINES	004: PROFESSIONAL SERVICE	3,239.00	3,239.00	-
1656	DAILY BREEZE	05/29/10 NEWSPAPER AD	1,882.00	1,769.08	112.92
1657	INTER-TEL NETSOLUTIONS	MONTHLY PHONE CHARGES	919.71	864.53	55.18
1658	KONE INC	05/17/10 ELEVATOR MAINT SVC	690.12	648.71	41.41
1659	PRESS-TELEGRAM	05/26/10 - GRNDWTR AWARENESS ADS	3,000.00	2,820.00	180.00
1660	ROBERT E. BUSH CORP	005: 06/10 PROF SERVICE	3,000.00	3,000.00	-
1661	SEPARATION PROCESSES	002: 06/10 PROF SERVICE	2,030.00	-	2,030.00
1662	TORRANCE, CITY OF	WATER CONSERVATION REBATE	40,000.00	37,600.00	2,400.00
1663	ACWA JOINT POWERS	4/1/10-6/30/10 WORKERS' COMP	7,859.00	6,160.20	1,698.80

Check #	Payee	Description	Total	Replenishment Fund	Clean Water Fund
1664	EAST WEST BANK	CC CHARGES THRU 07/07/10	3,672.09	3,451.76	220.33
1665	LOS ANGELES, CITY OF DWP	04/21/10-06/21/10 WATER PURCHASE	85,114.26	85,114.26	-
1666	PHILLIPS 66-CONOCO-76	MONTHLY FUEL CHARGES	822.21	488.07	334.14
1667	ASBURY ENVIRONMENTAL	011: WATER DISPOSAL SERVICE	1,832.45	916.23	916.22
1669	BUREAU VERITAS NORTH AMERICA	004: PROF SERVICE THRU 06/25/10	3,048.75	3,048.75	-
1670	CDW GOVERNMENT	COMPUTER SUPPLIES	180.23	169.42	10.81
1671	GARDENA VALLEY CHAMBER	FY10/11 MEMBERSHIP DUES	266.25	250.28	15.97
1672	GEOTRANS	025: PROF SERVICE THRU 06/25/10	41,440.53	20,720.27	20,720.26
1673	IN-SITU	011: MAINT SERVICE	218.74	109.37	109.37
1674	INSTRUMENTATION NORTHWEST	004: FIELD SUPPLIES	7,435.93	7,435.93	-
1675	INTERIOR PLANT DESIGN	001: 07/10 MAINT SERVICE	2,000.00	1,816.00	184.00
1676	NELLOR ENVIRONMENTAL	004: 06/10 PROF SERVICE	900.00	900.00	-
1677	OFFICE TEAM	TEMP SERVICE THRU 07/09/10	2,015.84	1,894.89	120.95
1678	WEST BASIN MWD	WATER CONSERVATION REBATE	40,000.00	37,600.00	2,400.00
I0104	BOSTON MARKET	07/07/10 WATER RESOURCES COMM	126.10	118.53	7.57
I0105	ERHART'S CATERING	06/24/10 AD HOC COMM MEETING	156.34	146.96	9.38
I0106	PEPSI BOTTLING	SUPPLIES	241.60	227.10	14.50
I0107	ENRIQUE'S MEXICAN	07/19/10 EA COMM MEETING	237.43	223.18	14.25
I0108	SPARKLETTS	SUPPLIES	63.49	59.68	3.81
I0109	ERHART'S CATERING	06/29/10 GRNDWTR QUALITY WORKSHOP	685.12	-	685.12
I0110	ERHART'S CATERING	06/21/10 EA COMMITTEE MEETING	291.06	273.60	17.46
I0111	ERHART'S CATERING	07/08/10 AD HOC COMMITTEE MEETING	156.34	146.96	9.38
I0112	TGIS CATERING SERVICES	07/12/10 ADMIN COMMITTEE MEETING	254.23	238.98	15.25
I0113	ERHART'S CATERING	07/14/10 FINANCE COMMITTEE MEETING	253.97	238.73	15.24
I0114	BOSTON MARKET	07/28/10 GWQ COMMITTEE MEETING	126.10	118.53	7.57
<b>Total Demands from July 1, 2010 to July 31, 2010</b>			<b>6,361,719.08</b>	<b>6,006,025.32</b>	<b>355,693.76</b>

Robb Whitaker, P.E., General Manager

Water Replenishment District of Southern California  
Demands List - Current and YTD By Vendor

Payee	Description	Current Demands	YTD Demands
PAYROLL	BENEFIT/DEDUCTION/REIMBURSEMENT	145,139.39	145,139.39
PAYROLL	PAYROLL	150,026.43	150,026.43
PAYROLL	TAXES	74,645.48	74,645.48
ALBERT ROBLES	DIRECTORS' COMPENSATION	2,601.39	2,601.39
ALBERT ROBLES	EXPENSE REIMBURSEMENT	553.40	553.40
ROBERT E. KATHERMAN	DIRECTORS' COMPENSATION	763.39	763.39
ROBERT E. KATHERMAN	EXPENSE REIMBURSEMENT	996.73	996.73
LILLIAN Y. KAWASAKI	DIRECTORS' COMPENSATION	584.11	584.11
LILLIAN Y. KAWASAKI	EXPENSE REIMBURSEMENT	2,386.27	2,386.27
SERGIO J. CALDERON	DIRECTORS' COMPENSATION	4,026.76	4,026.76
SERGIO J. CALDERON	EXPENSE REIMBURSEMENT	82.46	82.46
WILLARD H. MURRAY, JR	DIRECTORS' COMPENSATION	760.84	760.84
1-800-CONFERENCE(R)	025: 06/15/10 CONFERENCE CALLS	89.25	89.25
ACWA - HBA	08/10/ MED/DEN/LIFE PRMIUM	50,558.80	50,558.80
ACWA JOINT POWERS	4/1/10-6/30/10 WORKERS' COMP	7,859.00	7,859.00
ALBRIGHT, YEE & SCHMIT	LEGAL SERVICES THRU 04/30/10	9,999.99	9,999.99
AMERICAN INSTITUTE OF	08/01/10-07/31/11 MEMB DUES-SO	555.00	555.00
ARCADIA SIGN COMPANY	DISTRICT BUILDING SIGN	1,150.74	1,150.74
ASBURY ENVIRONMENTAL	011: WATER DISPOSAL SERVICE	1,832.45	1,832.45
AT&T	002: MONTHLY PHONE SERVICE	232.58	232.58
AT&T MOBILITY	MONTHLY CELL PHONE SVC-RW	146.56	146.56
BEACHCOMBER	06/04/10 NEWSPAPER AD	330.00	330.00
BENNETT SAMPLE PUMPS	018: FIELD SUPPLIES	8,141.25	8,141.25
BOSTON MARKET	07/07/10 WATER RESOURCES COMM	126.10	126.10
BOSTON MARKET	07/28/10 GWQ COMMITTEE MEETING	126.10	252.20
BOYS & GIRLS CLUBS OF SOUTH BAY	AFTER SCHOOL PROGRAM SPONSOR	500.00	500.00
BUREAU VERITAS NORTH AMERICA	004: PROF SERVICE THRU 06/25/10	3,048.75	3,048.75
BUZZ BASKETBALL ACADEMY	CLUB SPONSORSHIP	2,500.00	2,500.00
CALIFORNIA WATER SERVICE	WATER USAGE THRU 06/17/10	56.05	56.05
CATHOLIC CEMETERIES OF LA	CHECK DEPOSIT IN ERROR	269.29	269.29
CDW GOVERNMENT	COMPUTER SUPPLIES	180.23	180.23
CENTRAL BASIN MWD	05/10 WATER PURCHASE	13,943.40	13,943.40
CH2M HILL	001: PROF SERVICE THRU 05/28/10	67,014.96	67,014.96
CHEVRON AND TEXACO	06/10 FUEL CHARGES	51.98	51.98
COLO RIVER WATER USERS ASSOC	2010 MEMBERSHIP DUES - AR	120.00	120.00
COLORADO SCHOOL OF MINES	004: PROFESSIONAL SERVICE	3,239.00	3,239.00
COUNTY SANITATION DISTRICT 2	03/10 WATER PURCHASE - SJC	129,258.43	129,258.43
COUNTY SANITATION DISTRICT 2	04/10 WATER PURCHASE - SJC	119,735.01	248,993.44
DAILY BREEZE	05/29/10 NEWSPAPER AD	1,882.00	1,882.00
DANNY L. GLASGOW	MEDICAL REIMBURSEMENT	1,664.50	1,664.50
DMJ CONSULTING GROUP	011: PROF SERVICE THRU 06/23/10	32,240.30	32,240.30
EAST WEST BANK	CC CHARGES THRU 07/07/10	3,672.09	3,672.09
ENRIQUE'S MEXICAN	07/19/10 EA COMM MEETING	237.43	237.43
ERHART'S CATERING	06/24/10 AD HOC COMM MEETING	156.34	156.34
ERHART'S CATERING	06/29/10 GRNDWTR QUALITY WORKSHOP	685.12	841.46
ERHART'S CATERING	06/21/10 EA COMMITTEE MEETING	291.06	1,132.52
ERHART'S CATERING	07/08/10 AD HOC COMMITTEE MEETING	156.34	1,288.86
ERHART'S CATERING	07/14/10 FINANCE COMMITTEE MEETING	253.97	1,542.83
ET WATER SYSTEMS	06/01/10-05/31/11 IRRIGATION FEE	258.00	258.00
F&M BANK: CC PAYMENT	06/10 CC CHARGES	6,644.51	6,644.51
FEDERAL EXPRESS	FEDEX SERVICES	60.33	60.33
FEDERAL EXPRESS	FEDEX SERVICES	219.55	279.88
FEDERAL EXPRESS	FEDEX SERVICES	555.87	835.75
FLEX-PLAN SERVICES, INC	MONTHLY ADMIN SERVICE	1,935.30	1,935.30
FM THOMAS AIR CONDITIONING	06/11/10 AC MAINT SERVICE	1,118.06	1,118.06
GARDENA VALLEY CHAMBER	FY10/11 MEMBERSHIP DUES	266.25	266.25
GEOTRANS	025: PROF SERVICE THRU 06/25/10	41,440.53	41,440.53
HELPMATES STAFFING	TEMP SERVICE THRU 06/27/10-MC	2,004.64	2,004.64
IN-SITU	011: MAINT SERVICE	218.74	218.74
INSTRUMENTATION NORTHWEST	001: FIELD EQUIPMENT	2,731.71	2,731.71
INSTRUMENTATION NORTHWEST	004: FIELD EQUIPMENT	7,435.93	10,167.64

Water Replenishment District of Southern California  
Demands List - Current and YTD By Vendor

Payee	Description	Current Demands	YTD Demands
INTERIOR PLANT DESIGN	001: 07/10 MAINT SERVICE	2,000.00	2,000.00
INTER-TEL NETSOLUTIONS	MONTHLY PHONE CHARGES	919.71	919.71
JAN-PRO CLEANING	07/10 JANITORIAL SERVICE	2,743.00	2,743.00
KONE INC	05/17/10 ELEVATOR MAINT SVC	690.12	690.12
LA ECONOMIC DEVELOPMENT	FY10/11 MEMBERSHIP DUES	5,000.00	5,000.00
LA EXPRESS ONE	COURIER SERVICE	133.76	133.76
LAKEWOOD SELF STORAGE	07/01/10-07/01/11 STORAGE RENTAL	5,742.00	5,742.00
LAKEWOOD, CITY OF	WATER USAGE THRU 06/17/10	190.55	190.55
LAUSD-GAGE MIDDLE SCHOOL	2010 MUSIC & ART FEST EVENT	(1,500.00)	(1,500.00)
LONG BEACH, CITY OF	07/09-12/09 CAPACITY RSV CHRGS	26,304.65	26,304.65
LONG BEACH, CITY OF	001: PROF SERVICE THRU 05/28/10	9,889.82	36,194.47
LONG BEACH, CITY OF	LEGAL SERVICE THRU 03/10-MEYERS NAVE	4,929.37	41,123.84
LONG BEACH, CITY OF	LEGAL SERVICE THRU 07/09-MEYERS NAVE	4,383.29	45,507.13
LOS ANGELES COUNTY DPW	001: ACCESS PERMIT FEES	50.00	50.00
LOS ANGELES, CITY OF DWP	04/21/10-06/21/10 WATER PURCHASE	85,114.26	85,114.26
MARTIN E WHELAN. JR.	08/10 MEDICAL PREMIUM	736.33	736.33
McMASTER	011: FIELD SUPPLIES	1,015.37	1,015.37
McMASTER	018: FIELD SUPPLIES	645.95	1,661.32
MEYERS & NAVE	05/10 LEGAL SERVICE	45,546.81	45,546.81
MR ROOTER PLUMBING	06/11/10 MAINTENANCE SERVICE	216.00	216.00
MUNICIPAL INFO SYSTEMS ASSOC OF CA	2010 MEMBERSHP DUES	240.00	240.00
MWH LABORATORIES	02/10 LAB SERVICES	3,578.00	3,578.00
NELLOR ENVIRONMENTAL	004: 06/10 PROF SERVICE	900.00	900.00
OFFICE TEAM	TEMP SERVICE THRU 06/18/10	2,468.63	2,468.63
OFFICE TEAM	TEMP SERVICE THRU 06/25/10	2,752.00	5,220.63
OFFICE TEAM	TEMP SERVICE THRU 07/02/10	1,376.00	6,596.63
OFFICE TEAM	TEMP SERVICE THRU 07/09/10	2,015.84	8,612.47
ORANGE COUNTY WATER DISTRICT	001: PROF SERVICE THRU 04/31/10	20,763.39	20,763.39
PACIFIC COACHWAYS CHARTER	GRNDWTR TOUR BUS RENTAL	500.00	500.00
PACIFIC FORD	011: TRUCK REPAIR SERVICE	220.12	220.12
PARS	05/10 REP FEES	500.00	500.00
PBCC	07/20/10-10/20/10 METER LEASE	1,327.13	1,327.13
PEPSI BOTTLING	SUPPLIES	241.60	241.60
PHILLIPS 66-CONOCO-76	MONTHLY FUEL CHARGES	822.21	822.21
POSTAGE BY PHONE	POSTAGE DEPOSIT	2,000.00	2,000.00
PRESS-TELEGRAM	05/26/10 - GRNDWTR AWARENESS ADS	3,000.00	3,000.00
PROMERICA BANK	FUND TRANSFER FROM EWB	2,000,000.00	2,000,000.00
RMC WATER AND ENVIRONMENT	033: PROF SERVICE THRU 05/28/10	42,297.65	42,297.65
ROBERT E. BUSH CORP	005: 06/10 PROF SERVICE	3,000.00	3,000.00
ROBERT HALF TECHNOLOGY	TEMP SERVICE THRU 05/07/10	405.00	405.00
SEPARATION PROCESSES	002: 06/10 PROF SERVICE	2,030.00	2,030.00
SO CAL IMMEDIATE MED CENTER	MEDICAL SERVICE	25.00	25.00
SOUTHERN CALIFORNIA EDISON	06/10 ENERGY USAGE	31,118.64	31,118.64
SOUTHERN CALIFORNIA EDISON CO	011: 07/01/10-06/30/15 PERMIT FEES-LB#3	3,306.00	3,306.00
SOUTHERN CALIFORNIA EDISON CO	001: 07/01/10-06/30/15 PERMIT FEES-LJVL	5,750.00	9,056.00
SPARKLETTS	SUPPLIES	63.49	63.49
STAR OFFICE PRODUCTS	OFFICE SUPPLIES	412.97	412.97
STAR OFFICE PRODUCTS	OFFICE SUPPLIES	753.72	1,166.69
T & A SIGNS	BANNER STAND	202.11	202.11
TGIS CATERING SERVICES	07/12/10 ADMIN COMMITTEE MEETING	254.23	254.23
THE GAS COMPANY	MONTHLY UTILITY CHARGES	115.66	115.66
THE LA COUNTY 4-H LEADERS' COUNCIL	4-H CAMP SPONSORSHIP	9,999.94	9,999.94
TORRANCE, CITY OF	WATER CONSERVATION REBATE	40,000.00	40,000.00
US BANK TRUST N.A.	2004 COP PRINCIPAL & INTEREST	651,528.14	651,528.14
US BANK TRUST N.A.	2008 COP PRINCIPAL & INTEREST	803,700.00	1,455,228.14
USCSB	004: PROF SERVICE	6,445.50	6,445.50
VERIZON BUSINESS	MONTHLY INTERNET SERVICE	622.93	622.93
VERIZON CALIFORNIA	MONTHLY PHONE CHARGES	341.85	341.85
VERIZON WIRELESS	MONTHLY CELL PHONE SVC	694.41	694.41
WATER WISE CONSULTING	WATER WELL EDU WORKSHOP	2,400.00	2,400.00
WATER WISE CONSULTING	03/13/10 WTRWELL EDU WORKSHOP	3,900.00	6,300.00

Water Replenishment District of Southern California  
 Demands List - Current and YTD By Vendor

<u>Payee</u>	<u>Description</u>	<u>Current Demands</u>	<u>YTD Demands</u>
WEST BASIN MWD	05/10 WATER PURCHASE	1,560,119.26	1,560,119.26
WEST BASIN MWD	WATER CONSERVATION REBATE	40,000.00	1,600,119.26
WESTERN EXTERMINATOR	06/10 PESTICIDE SERVICE	65.00	65.00
XEROX CORPORATION	06/10 COPIER SERVICE - TR#5	1,371.90	1,371.90
XEROX CORPORATION	07/10 COPIER SERVICE	3,479.51	4,851.41
XO CORPORATION	PHONE CHARGES THRU 08/14/10	100.12	100.12
		<u>6,361,719.08</u>	<u>8,835,657.20</u>



## MEMORANDUM

ITEM NO. 6.D

*Prepared by:* Scott M. Ota

*Reviewed by:* Scott M. Ota

*Approved by:* Robb Whitaker

**DATE: SEPTEMBER 17, 2010**

**TO: BOARD OF DIRECTORS**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: FINANCIAL STATEMENTS – JULY 31, 2010**

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The attached financial statements include the Statement of Net Assets (Balance Sheet) as of July 31, 2010 and the Statement of Revenues, Expenditures and Changes in Net Assets (Income Statement) for the month ending July 31, 2010. Explanation of selected account balances are as follows:

### Statement of Net Assets

#### **ASSETS**

Cash and Cash Equivalents – The decrease of about \$ 1.38 million is primarily due to the semi-annual payment of the District's 2004 and 2008 Certificates of Participation (see interest and long-term debt payable below)

Accounts Receivable – This account decreased approximately \$2.82 million from the prior month. The change is due to the collection of outstanding replenishment assessment revenues.

Notes Receivable – The increase of \$132,000 in Notes Receivable is due to payments made to the City of Lakewood to construct wellhead treatment system, part of the Safe Drinking Water Program. The District will receive the annual payments from the City for 10 years after the construction is completed.

Construction-in-Progress - CIP increased approximately \$199,000 primarily due to expenditures related to the Safe Drinking Water program, New Monitoring Wells, Leo J Vander Expansion project and the Groundwater Replenishment Improvement Project (GRIP).

#### **LIABILITIES**

Interest Payable – This account decreased due to the semi-annual payment to the District's 2004 and 2008 Certificates of Participation (see cash above).

Long Term Debt – Bond Payable – This account decreased due to the semi-annual payment to the District's 2004 and 2008 debt (see cash above).

## **NET ASSETS**

Invested in Capital Assets – This is a formula and is related to the changes in all capital asset accounts:

<u>Accounts</u>	<u>Change</u>
Plant & Equipment	\$ 0
Construction-In-Progress	198,960
Accumulated Depreciation	<u>(185,095)</u>
Total	<u>\$ 13,865</u>

Unrestricted – The Change/Variance of Total Assets, Total Liabilities and Invested in Capital Assets from June to July is \$(2,620,232).

### **Statement of Revenues, Expenditures and Changes in Net Assets**

#### **REVENUE**

Water Replenishment Assessment – Revenues decreased \$ 7.89 million because the District has not yet received the July 2010 water usage data from the Water Master in order to record the revenues due to the WRD. This is an accounting timing difference and the Finance Department will record this data in August.

#### **EXPENSES**

Injected Water – Due to the timing of receiving invoices from WBMWD and the full accrual of expenses prior to closing the June 30, 2010 fiscal year, WRD recognized two months (May and June) of water purchase expenses in the month of June. In the month of July, WRD only recognized one month of water purchase expense, thus causing a significant decrease when compared to the prior month's activities.

Salary, Taxes & Benefits – The decrease of \$333,000 was primarily due to processing three payrolls in the month of June, as well as the year-end accrual of payroll liability for financial statement purposes in accordance with Generally Accepted Accounting Principles (GAAP).

Post Employment Benefits – The decrease of \$533,000 from the prior month because the WRD only accrues for these benefits at the end of each fiscal year in order to recognize Other Post Employment Benefits (OPEB) as required by the Government Accounting Standards Board Statement No. 45 (GASB 45).

#### **FISCAL IMPACT**

None.

#### **FINANCE COMMITTEE RECOMMENDATION**

Approve the Financial Statements for July 31, 2010.

**Water Replenishment District of Southern California**  
**Statement of Net Assets**  
**July 31, 2010**

Assets	Total	Prior Month Total	Variance
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 25,112,126	\$ 26,489,010	(1,376,884)
Restricted Cash	16,778,078	16,778,078	(1)
Accounts Receivable	7,134,480	9,959,133	(2,824,653)
Interest Receivable	37,712	57,476	(19,764)
Prepaid Expenses	212,132	347,405	(135,274)
<b>Total Current Assets</b>	<b>\$ 49,274,527</b>	<b>\$ 53,631,103</b>	<b>(4,356,575)</b>
<b>Noncurrent Assets</b>			
Notes Receivable, Noncurrent	\$ 4,109,793	\$ 3,977,509	132,284
Plant & Equipment	62,107,789	62,107,789	-
Land	2,644,753	2,644,753	-
Construction-In-Progress	7,918,528	7,709,962	208,566
Deferred Charges	782,332	782,332	0
Accumulated Depreciation	(15,794,758)	(15,609,662)	(185,095)
<b>Total Noncurrent Assets</b>	<b>\$ 61,768,438</b>	<b>\$ 61,612,683</b>	<b>155,754</b>
<b>Total Assets</b>	<b>\$ 111,042,965</b>	<b>\$ 115,243,786</b>	<b>(4,200,821)</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 5,353,030	\$ 3,945,219	1,407,811
Interest Payable - Bond	-	679,357	(679,357)
Accrued Payroll	(1,443)	48,152	(49,595)
Accrued Employee Benefits	-	17,025	(17,025)
Accrued Postemployment	1,482,442	1,482,442	-
Deferred Compensation	-	14,424	(14,424)
Cal Trans 0690	6,017,235	6,017,235	-
Long term Debt - Bond Payable	31,535,300	32,175,300	(640,000)
Other Liabilities	-	-	-
<b>Total Current Liabilities</b>	<b>\$ 44,386,565</b>	<b>\$ 44,379,154</b>	<b>7,411</b>
<b>Noncurrent Liabilities</b>			
Compensated Absences	\$ 344,522	\$ 344,522	\$ -
<b>Total Noncurrent Liabilities</b>	<b>\$ 344,522</b>	<b>\$ 344,522</b>	<b>\$ -</b>
<b>Total Liabilities</b>	<b>\$ 44,731,087</b>	<b>\$ 44,723,676</b>	<b>7,411</b>
<b>Net Assets</b>			
Invested in Capital Assets	\$ 56,876,313	\$ 56,852,842	23,470
Unrestricted	9,435,566	13,667,268	(4,231,702)
<b>Total Net Assets</b>	<b>\$ 66,311,879</b>	<b>\$ 70,520,110</b>	<b>(4,208,231)</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 111,042,965</b>	<b>\$ 115,243,786</b>	<b>(4,200,821)</b>

**Water Replenishment District of Southern California**  
**Statement of Revenues, Expenditures and Changes in Net Assets**  
**For the Month of July 2010**

	Total	Prior Month Total	Variance
<b>Revenues</b>			
<b>Operating Revenues</b>			
Water Replenishment Assessments	-	7,890,268	(7,890,268)
Late Payment Penalties	-	-	-
MWD Subsidy	-	131,465	(131,465)
OCWD Recycled Water Product	23,007	73,197	(50,190)
Desalter Revenue	-	104,060	(104,060)
Title 22 Monitoring Program	29,645	43,175	(13,530)
<b>Total Operating Revenues</b>	<b>52,652</b>	<b>8,242,166</b>	<b>(8,189,513)</b>
<b>Operating Expenses</b>			
<b>Cost of Water</b>			
Spreading	-	239,529	(239,529)
Injected	1,726,662	3,346,699	(1,620,037)
In-Lieu	-	-	-
Connection Fees	49,123	202,069	(152,946)
<b>Total Cost of Water</b>	<b>1,775,785</b>	<b>3,788,297</b>	<b>(2,012,512)</b>
<b>General &amp; Administrative</b>			
Salaries, Taxes & Benefits	330,629	663,350	(332,720)
Postemployment Benefits	-	533,466	(533,466)
Conference & Travel	2,930	29,827	(26,897)
Office Expenses	73,150	135,501	(62,351)
Utilities	36,374	24,387	11,987
Rents & Leases	13,389	5,019	8,370
Repairs & Maintenance	9,546	16,657	(7,111)
Material & Equipment	7,576	31,442	(23,866)
General Liability Insurance	15,098	15,098	-
Professional Fees	205,414	941,845	(736,431)
Other General & Administrative	51,921	225,893	(173,971)
<b>Total General &amp; Administrative</b>	<b>746,027</b>	<b>2,622,483</b>	<b>(1,876,456)</b>
<b>Depreciation</b>	<b>185,095</b>	<b>215,410</b>	<b>(30,315)</b>
<b>Total Operating Expenses</b>	<b>2,706,908</b>	<b>6,626,191</b>	<b>(3,919,283)</b>
<b>Operating Income (Loss)</b>	<b>(2,654,256)</b>	<b>1,615,975</b>	<b>(4,270,231)</b>
<b>Non-Operating Revenues (Expenses)</b>			
<b>Revenues</b>			
Property Taxes	-	18,188	(18,188)
Investment Earnings	47,888	25,422	22,466
Miscellaneous	-	-	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>47,888</b>	<b>43,609</b>	<b>4,278</b>
<b>Income (Loss) Before Contributions</b>	<b>(2,606,368)</b>	<b>1,659,585</b>	<b>(4,265,953)</b>
<b>Contributions</b>			
Capital Contributions- Grant	-	60,577	(60,577)
<b>Change in Net Assets</b>	<b>(2,606,368)</b>	<b>1,720,161</b>	<b>(4,326,529)</b>



## MEMORANDUM

ITEM NO. 6.E

*Prepared by: Scott M. Ota  
Reviewed by: Scott M. Ota  
Approved by: Robb Whitaker*

**DATE: SEPTEMBER 17, 2010**  
**TO: BOARD OF DIRECTORS**  
**FROM: ROBB WHITAKER, GENERAL MANAGER**  
**SUBJECT: EXPENSES OVER 90 DAYS**

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### SUMMARY

Based on Section 13.2.3 of the District's Administrative Code, "Requests for reimbursement must be submitted within 90 days of the date the expense was incurred...Any reimbursement for a non-excluded expense submitted after 90 days must be approved by the Board of Directors."

Staff would like to present expenses over the 90 day period to the Finance Committee.

### FISCAL IMPACT

Approximately \$19,900; included in the FY 2010-11 budget.

### FINANCE COMMITTEE RECOMMENDATION

Approve the expense reimbursements for expenses over 90 days.



## MEMORANDUM

**ITEM NO. 6.F**

*Prepared by:* Abbie Andom

*Reviewed by:* Scott M. Ota

*Approved by:* Robb Whitaker

**DATE: SEPTEMBER 17, 2010**

**TO: BOARD OF DIRECTORS**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: CONSIDERATION OF RESOLUTION NO. 10- 889 –  
A JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE  
COUNTY OF LOS ANGELES; THE BOARD OF TRUSTEES OF THE LOS  
ANGELES COUNTY WEST VECTOR CONTROL DISTRICT; THE BOARD OF  
DIRECTORS OF THE COUNTY SANITATION DISTRICT NO. 5 OF LOS  
ANGELES COUNTY (COUNTY SANITATION DISTRICT NO. 5); AND THE  
BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF  
SOUTHERN CALIFORNIA APPROVING AND ACCEPTING THE  
NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES RESULTING  
FROM ANNEXATION OF TRACT 67377 TO COUNTY LIGHTING  
MAINTENANCE DISTRICT 1687**

---

### SUMMARY

A request has been received from the County of Los Angeles Department of Public Works regarding participation in the exchange of ad valorem property tax. If a taxing agency involved in the negotiation does not adopt a resolution providing for the exchange of property tax, the Board of Supervisors can determine the exchange of property tax revenue for that taxing agency.

### FISCAL IMPACT

None.

### FINANCE COMMITTEE RECOMMENDATION

Adopt Resolution No. 10-889.

**RESOLUTION NO. 10- 889**

**A JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES; THE BOARD OF TRUSTEES OF THE LOS ANGELES COUNTY WEST VECTOR CONTROL DISTRICT; THE BOARD OF DIRECTORS OF THE COUNTY SANITATION DISTRICT NO. 5 OF LOS ANGELES COUNTY (COUNTY SANITATION DISTRICT NO. 5); AND THE BOARD OF DIRECTORS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES RESULTING FROM ANNEXATION OF TRACT 67377 TO COUNTY LIGHTING MAINTENANCE DISTRICT 1687**

WHEREAS, pursuant to Section 99.01 of the California Revenue and Taxation Code, prior to the effective date of any jurisdictional change that will result in a special district providing one or more services to an area where those services have not previously been provided by any local agency, the special district and each local agency that receives an apportionment of property tax revenue from the area must negotiate an exchange of property tax increment generated in the area subject to the jurisdictional change and attributable to those local agencies; and

WHEREAS, the Board of Supervisors of the County of Los Angeles, acting on behalf of the County Lighting Maintenance District 1687, the Los Angeles County General Fund, the Los Angeles County Library, the Los Angeles County Road District No. 2, the Consolidated Fire Protection District of Los Angeles County, the Los Angeles County Flood Control Drainage Improvement Maintenance District, and the Los Angeles County Flood Control District; the Board of Trustees of the Los Angeles County West Vector Control District; the Board of Directors of the County Sanitation District No.5 of Los Angeles County (County Sanitation District No. 5); and the Board of Directors of the Water Replenishment District of Southern California have determined that the amount of property tax revenue to be exchanged between their respective agencies as a result of the annexation proposal identified as Tract 67377 to County Lighting Maintenance District 1687 is as shown on the attached Property Tax Transfer Resolution Worksheets.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The negotiated exchange of property tax revenues between the County Lighting Maintenance District 1687, and the Los Angeles County General Fund, the Los Angeles County Library, the Los Angeles County Road District No. 2, the Consolidated Fire Protection District of Los Angeles County, the Los Angeles County Flood Control Drainage Improvement Maintenance District, the Los Angeles County Flood Control District, the Los Angeles County West Vector Control District, the County Sanitation District No.5, and the Water Replenishment District of Southern California resulting from the annexation proposal identified as Tract 67377 to County Lighting Maintenance District 1687 is approved and accepted.

2. For fiscal years commencing on or after July 1, 2010, or the July 1 after the effective date of this jurisdictional change, whichever is later, the property tax revenue increment generated from the area within Tract 67377 (Tax Rate Areas 01551 and 01565) shall be allocated to the affected agencies as indicated in the enclosed Property Tax Transfer Resolution Worksheets.
3. No transfer of property tax revenues other than those specified in Paragraph 2 shall be made as a result of annexation of Tract 67377.
4. If at any time after the effective date of this Resolution, the calculations used herein to determine initial property tax transfers or the data used to perform those calculations are found to be incorrect, thus producing an improper or inaccurate property tax transfer, the property tax transfer shall be recalculated and the corrected transfer shall be implemented for the next fiscal year, and any amounts of property tax received in excess of that which is proper shall be refunded to the appropriate agency.

PASSED, APPROVED AND ADOPTED THIS \_\_\_\_\_ day of \_\_\_\_\_, 2010 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

\_\_\_\_\_  
Sergio Calderon, President

ATTEST:

\_\_\_\_\_  
Willard H. Murray, Jr., Secretary

\_\_\_\_\_  
Date



## MEMORANDUM

### ITEM NO. 6.G

*Prepared by:* Scott M. Ota  
*Reviewed by:* Robb Whitaker  
*Approved by:* Robb Whitaker

**DATE:** SEPTEMBER 17, 2010  
**TO:** BOARD OF DIRECTORS  
**FROM:** ROBB WHITAKER, GENERAL MANAGER  
**SUBJECT:** COMMUNITY BANKING – SELECTION CRITERIA

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### SUMMARY

At the June 20, 2008 Board meeting, the Board discussed expanding community involvement by exploring new banking relationships with financial institutions that reinvest and finance projects in communities the District services.

At the August 18, 2008 External Affairs Committee meeting, the Committee developed the following recommended Community Banking Selection Criteria:

1. Financial Institutions must be approved by the Board of Directors
2. Banks will only be utilized if they are FDIC insured, agree to collateralize any and all WRD funds deposited therein and are in good financial condition,
3. Provide exceptional customer service to meet all of the District's banking needs. In particular with respect to access (on-line and otherwise), guarantee any on-line banking transactions, agree to provide District staff with any requested assistance during the initial transition period, have security measures in place to ensure all bank transactions are proper and authorized, and are otherwise good corporate citizens.
4. Finally, the use of community banks will be in accordance with the District's Administrative Code, the District's Investment Code and the California Government Code.

At the August 20, 2010 meeting of the Board of Directors, the Board asked that the Finance Committee review the selection process of financial institutions participating in the District's Community Banking Program.

At the September 8, 2010 Finance Committee Meeting, the Committee reviewed the existing Community Banking Criteria and recommended no changes be made.

### FISCAL IMPACT

None.

### FINANCE COMMITTEE RECOMMENDATION

No changes to the existing Community Banking Selection Criteria.



## MEMORANDUM

ITEM NO. 6.H

*Prepared by:* Scott M. Ota

*Reviewed by:* Scott M. Ota

*Approved by:* Robb Whitaker

**DATE: SEPTEMBER 17, 2010**

**TO: BOARD OF DIRECTORS**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: FACILITIES MAINTENANCE CONTRACT**

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### SUMMARY

In 2007, the District received 10 independent bids for performing cleaning and maintenance services for the District's administration building. The Board approved a contract with Jan Pro Cleaning Systems in October 2007 and further renewed the contract in October 2008 and October 2009 for one year intervals. Jan Pro has been doing an exceptional job performing their function. They have also undergone training relating to WRD's Leadership in Energy and Environmental Design (LEED) effort.

The current contract is for \$33,000 annually with a 10% allowance for supplementary work on an as-needed basis as determined by staff for a total of \$36,300. Staff is pleased with the job being performed by Jan Pro Cleaning Systems. They have provided excellent service and staff recommends a new 3 year contract with Jan Pro.

### FISCAL IMPACT

There is no cost increase to WRD over the current contract cost for the first year of service. The facilities management contract is \$32,916 per year plus an allowance 10% (\$3,284) for supplementary work on an as-needed basis as determined by staff for a total not to exceed \$36,200. There is a contracted price increase of 3% in year two and a 4% increase in year three. This is budgeted in the 10/11 budget and \$100 less than prior year's cost. Future year's costs will be budgeted in the appropriate budget year.

### FINANCE COMMITTEE RECOMMENDATION

Approve a new contract with Jan-Pro Cleaning Systems for three year as follows:  
Year 1 - \$32,900 + 10% allowance = \$36,200; Year 2 - \$33,900 + 10% allowance = \$37,300;  
and Year 3 - \$35,300 + 10% allowance = \$38,800.



## MEMORANDUM

### ITEM NO. 6.I

*Prepared by:* Ted Johnson  
*Reviewed by:* Phuong Ly  
*Approved by:* Robb Whitaker

**DATE: SEPTEMBER 17, 2010**

**TO: BOARD OF DIRECTORS**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: TIME AND FEE AMENDMENT TO MWH LABORATORIES AGREEMENT FOR WATER QUALITY TESTING**

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### SUMMARY

WRD is currently under a 3-year contract with MWH Laboratories to perform analytical testing of water samples collected by the District for the following programs:

- Regional Groundwater Monitoring Program (including NPDES discharge requirements);
- Montebello Forebay Recycled Water Permit Compliance and Research Testing;
- Alamitos Barrier Recycled Water Permit Compliance and Water Quality Testing;
- Harbor Water Recycling Project – Dominguez Gap Barrier Permit Compliance and Water Quality Testing;
- Goldsworthy Desalter chloride samples; and
- Water Quality Program - Various water quality investigations and research initiatives.

All programs combined produce on average approximately 1,264 samples per year for permit compliance and for measuring the water quality of the groundwater basins.

The MWH Laboratories' contract will expire on October 31, 2010. At the August 24, 2010 Groundwater Quality Committee meeting, the directors queried Staff on the performance and pricing of MWH Laboratories. Staff reported that MWH Laboratories has done an excellent job for the District to date by being highly responsive, having equipment and staff available to handle District peak workloads, being on the leading edge of analytical capabilities related to groundwater, recycled water, general water quality, and emerging chemicals, having an automated data delivery system to incorporate test results directly into WRD's databases, and establishing a sample bottle labeling and delivery system which greatly assists WRD field staff in collecting samples and submitting them to the laboratory.

In addition, MWH Laboratories discounted their rates to WRD by 35% compared to their 2006 rates, and have not increased fees over the course of the current 3-year agreement. They have also committed to keeping their rates constant for the remainder of this contract, even if extended. Based on this information, the Committee recommended extending the MWH

Laboratories agreement through June 30, 2014, which is a 3-year extension plus additional months to make the contract timeline consistent with the District's Fiscal Year.

**FISCAL IMPACT**

Laboratory services are provided throughout the year as samples are collected. For the 8-month time period between the contract expiration date and the end of the Fiscal Year (November 2010 through June 2011), laboratory services are estimated at \$700,000. This is a budgeted item. For FY 2011-2012, FY 2012-13 and FY 2013-14, laboratory services are estimated at \$1,150,000, \$1,250,000 and \$1,350,000, respectively. Therefore, total fees required for the contact extension from November 1, 2010 through June 30, 2014 is \$4,450,000 plus a 5% contingency of \$225,000, for a total Board authorized amount of \$4,675,000.

**GROUNDWATER QUALITY COMMITTEE RECOMMENDATION**

Amend the existing contract with MWH Laboratories, subject to approval of form by District Counsel, to extend the termination date to June 30, 2014 and increase the budgetary amount by an additional \$4,450,000, plus a \$225,000 contingency, for a total Board authorized amount of \$4,675,000.



## MEMORANDUM

ITEM NO. 6.J

*Prepared by:* Ted Johnson  
*Reviewed by:* Phuong Ly  
*Approved by:* Robb Whitaker

**DATE:** SEPTEMBER 17, 2010  
**TO:** BOARD OF DIRECTORS  
**FROM:** ROBB WHITAKER, GENERAL MANAGER  
**SUBJECT:** WATER RESEARCH FOUNDATION RENEWAL

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### SUMMARY

The Water Research Foundation (WRF or Foundation), formerly the American Water Works Association Research Foundation (AwwaRF), sponsors applied research for all aspects of the drinking water industry, including water resources, supply, quality, and distribution. Much of this research has had direct applicability to WRD's projects and programs as discussed in more detail below. Membership affords WRD and local purveyors' access to and participation in state-of-the-art research developments in the water industry, and also maximizes leverage of pooling resources for mutually beneficial projects and investigations. WRD as a member is also able to submit proposals for new research ideas for consideration by the Foundation.

In recent years, the Foundation has conducted or sponsored research of particular relevance to WRD and our purveyors, including:

- *Soil aquifer treatment (SAT) of recycled water used for groundwater recharge;*
- *Emerging contaminants, including pharmaceuticals, endocrine disruptors, and personal care products – occurrence, toxicological impacts, analytical methods, and methods of treatment and control;*
- *Climate change and impacts to water supply and water quality;*
- *Carbon sequestration in geologic structures;*
- *Tracking the movement of contaminants;*
- *Groundwater contamination occurrence and treatment – arsenic, chromium, and perchlorate;*
- *Desalination;*
- *Iron and manganese treatment;*
- *Evaluation of membrane technologies;*
- *Disinfection byproducts (DBP's);*
- *Distribution system water quality; and*
- *Enhanced communication on drinking water issues.*

Being a member of the Foundation also allows an opportunity to sit on prestigious Project Advisory Committee (PAC) panels, which provide technical review and guidance on the Foundation's research projects. Recently, WRD staff has and is currently sitting on PAC panels related to Groundwater Recharge Facilities, Carbon Sequestration, and Vadose Zone recharge wells. Sitting on the PAC panel affords the opportunity to guide the research project to areas directly related to WRD's activities.

Research is funded through subscriber membership fees which are typically based on the annual amount of water delivered or served to customers. WRD has been a subscriber since 1992. Other subscribers from the local area include the Central and West Basin Municipal Water Districts, Golden

State Water Company, the Los Angeles Department of Water and Power, Long Beach Water Department and the Metropolitan Water District of Southern California.

The subscription renewal letter from Water Research Foundation, which provides additional details of member benefits, is attached to this staff report.

**FISCAL IMPACT**

For the subscription period of October 2010 to September 2011, the membership fees are \$51,537, which is the same price as the previous year. Fees did not go up for 2010-2011. This amount has been included in the current year 2010-11 budget under Project 006.

**WATER RESOURCES COMMITTEE RECOMMENDATION**

Renew the annual subscription with the Water Research Foundation in the amount of \$51,537 for the period October 2010 to September 2011.



**WATER  
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FOUNDATION**

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Roy L. Wolfe, Chair  
Denise Kruger, Vice-Chair  
Charles M. Murray, Treasurer  
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August 6, 2010

Robb Whitaker P.E.  
General Manager  
Water Replenishment District of So. California  
4040 Paramount Blvd.  
Lakewood, CA 90712

Dear Mr. Whitaker:

The Water Research Foundation is grateful for your continued financial support of the research that has been identified by the water supply community as essential to increasing operational efficiency, advancing treatment technologies, and enabling the provision of better service to the customer. As a subscriber, your organization can benefit from the results of our published reports; by pooling research dollars the Foundation provides the research that advances science across the community.

Given current economic conditions, the Research Foundation is more relevant now than ever as it provides a true and proven model for organized collaboration and can reduce overall costs for the individual subscriber.

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- You will be kept informed with complimentary research reports, periodicals, regional technology transfer conferences/workshops, and online seminars/webcasts.
- You can influence and participate in the research agenda.
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We encourage you to continue and even increase your use of the benefits available to Foundation subscribers. Your organization will receive the most return on its investment by actively participating in our programs, by tapping the wealth of information from the Water Research Foundation, and by applying the Foundation's research findings which can save you substantial costs in treatment, distribution, monitoring, resources and management.

The Water Research Foundation exists to serve our subscribers; with your help the Foundation strives to provide the solutions required to keep our water safe and affordable.

We recognize that 2009 was a challenging year for our subscribers, which has led to our Board's decision to waive a rate increase for 2010. Enclosed is your 2010 subscription invoice and worksheet for the Drinking Water Research Program. We strongly encourage you to fill out the worksheet to show actual water delivery numbers rather than use the estimated invoice amount.

If you have any questions about your subscription, please contact Rick Karlin, Director of Subscriber Services at 303-347-6104 or [rkarlin@WaterResearchFoundation.org](mailto:rkarlin@WaterResearchFoundation.org).

Sincerely yours,

Richard J. Karlin, P.E., D.E.E.  
Director of Partnerships/Subscriber Services

cc: Hoover H Ng P.E.

6666 West Quincy Avenue  
Denver, CO 80235-3098 USA  
P 303.347.6100  
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[www.WaterRF.org](http://www.WaterRF.org)  
[info@WaterRF.org](mailto:info@WaterRF.org)



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pschrader@WaterResearchFoundation.org

## 2010 INVOICE

Invoice Number RF2010-0006294	Date August 6, 2010
Subscriber Number 0006294	Foundation Tax ID 13-6211384
Subscriber Since 10/01/92	Due Date Net 30 Days

Water Replenishment District of So. California  
ATTN: Robb Whitaker P.E., General Manager  
4040 Paramount Blvd.  
Lakewood, CA 90712

ITEM NO.	DESCRIPTION	ESTIMATED AMOUNT
RF2010	October 2010 through September 2011 Subscription to the Water Research Foundation Program	\$51,537.00
Pay this amount:		\$51,537.00
<i>You may request a revised invoice if your worksheet amount differs.</i>		



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*Detach and return with payment and completed worksheet in the enclosed envelope*  
Please make check payable to: **Water Research Foundation**

Invoice Number RF2010-0006294	Date August 6, 2010
Subscriber Number 0006294	Due Date Net 30 Days

ITEM NO.	DESCRIPTION	AMOUNT DUE
RF2010	Subscription to the Water Research Foundation Program	\$51,537.00
REVISED INVOICE REQUESTED <input type="checkbox"/> Yes <input type="checkbox"/> No		AMOUNT ENCLOSED

Water Replenishment District of So. California  
ATTN: Robb Whitaker P.E., General Manager  
4040 Paramount Blvd.  
Lakewood, CA 90712



## MEMORANDUM

ITEM NO. 6.K

*Prepared by:* Scott M. Ota

*Reviewed by:* Scott M. Ota

*Approved by:* Robb Whitaker

**DATE:** SEPTEMBER 17, 2010  
**TO:** BOARD OF DIRECTORS  
**FROM:** ROBB WHITAKER, GENERAL MANAGER  
**SUBJECT:** ALSTON & BIRD CONTRACT AMENDMENT

---

### SUMMARY

On October 19, 2007, the Board of Directors approved a 3-year contract with Alston & Bird to provide special legal services and representation on conjunctive use matters. This contract is set to terminate on September 20, 2010.

The Ad Hoc Legal Selection Committee has determined that they would like to recommend an amendment to the current contract with Alston & Bird, extending the term of the contract for 60-days renewing automatically until other action is taken by the Board of Directors. This amendment is necessary in order to authorize any future District expenditures to Alston & Bird as required by Section 60622(a) of Water Code and Section 10.1.4(a) of District's Administrative Code.

### FISCAL IMPACT

District Counsel has been included in the FY 2010-11 budget.

### AD HOC LEGAL SELECTION COMMITTEE RECOMMENDATION

Approve and execute the amendment to the Agreement with Alston & Bird for a term of 60-days renewing automatically until other action is taken by the Board of Directors.



## MEMORANDUM

ITEM NO. 6.L

*Prepared by:* Elsa Lopez  
*Reviewed by:* Robb Whitaker  
*Approved by:* Robb Whitaker

**DATE:** SEPTEMBER 20, 2010  
**TO:** BOARD OF DIRECTORS  
**FROM:** ROBB WHITAKER, GENERAL MANAGER  
**SUBJECT:** CALIFORNIA CONTRACT CITIES ASSOCIATION MEMBERSHIP

---

### SUMMARY

In July 2010 the California Contract Cities Association (CCCA) invited WRD to consider becoming an Associate Member. The External Affairs Committee met in August and the Committee concurred with staff's recommendation for WRD to join the CCCA as an Associate Member in the \$3,000 Bronze membership level.

CCCA, founded in 1957, is an organization consisting of over 50 cities located primarily in the Southern California region of the State. In 2009, responding to numerous requests from non-municipal entities to join the Association, CCCA expanded their membership opportunities to include agencies, utilities and businesses that perform various services for their traditional members.

Membership in the CCCA would provide WRD the opportunity to access many of the local elected officials and staff of the cities the District represents. Numerous events are held year-round and include two conferences and a legislative tour to Sacramento. WRD hosted a very successful CCCA Board of Directors meeting in 2007 where an informative presentation on the District's duties and functions were provided for attendees.

### FISCAL IMPACT

Included in the FY 2010-11 External Affairs Education budget.

### EXTERNAL AFFAIRS COMMITTEE RECOMMENDATION

Approve membership to the California Contract Cities Association as an Associate Member in the \$3,000 Bronze membership level.



## MEMORANDUM

### ITEM NO. 7

*Prepared by:* Ted Johnson

*Reviewed by:* Phuong Ly

*Approved by:* Robb Whitaker

**DATE: SEPTEMBER 17, 2010**

**TO: BOARD OF DIRECTORS**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: UPDATE FROM THE GROUNDWATER QUALITY COMMITTEE –SCIENCE ADVISORY PANEL ON CHEMICALS OF EMERGING CONCERN**

---

### SUMMARY

Staff made a presentation to the June 23, 2010 Groundwater Quality Committee meeting. The Committee requested that this item be brought to the Board for information:

The State Water Resources Control Board (SWRCB) adopted a new recycled water policy in May 2009 that recognized the importance and increased role of recycled water in California. One of the provisions in this policy is how to address new classes of chemicals, such as pharmaceuticals, personal care products, and industrial chemicals, collectively known as “chemicals of emerging concern (CEC),” that may be present in recycled water. The Policy authorized the formation of a science advisory panel (Panel) to address this issue and use the best science available for its work.

The Panel was convened in May 2009, and is comprised of the following experts – human health toxicologist, environmental toxicologist, risk assessment/ epidemiologist, biochemist, civil engineer familiar with design and construction of recycled water treatment facilities, and chemist familiar with advanced laboratory methods for the detection of CECs.

The Panel was tasked to provide responses and recommendations to the following questions:

- What are the appropriate constituents to be monitored in recycled water and what are the applicable monitoring methods and detection limits for them?
- What toxicological information is available for these constituents?
- Would the constituent list change based on level of treatment? If so, how?
- What are the possible indicators (i.e., surrogates) that represent a suite of CECs?
- What levels of CECs should trigger enhanced monitoring in recycled, ground, or surface waters?

The Panel was explicitly charged with developing their responses in the context of any human health impacts from the use of recycled water for groundwater recharge or landscape irrigation projects. A separate panel is underway to address any environmental impacts. Several meetings have been held and findings from their draft report, “Monitoring Strategies for

Chemicals of Emerging Concern (CECs) in Recycled Water” was released on April 15, 2010. Public comments were received on May 15, 2010. The following are highlights of the report and the Panel’s responses to the public comments.

The approach and conceptual framework that the Panel developed and used to prioritize CEC monitoring was generally considered acceptable:

- Compile occurrence data or measurable environmental concentrations (MEC),
- Develop monitoring trigger levels (MTL) based on toxicological relevance,
- Compare the MEC with the MTL, and prioritize those CECs with MEC/MTL is > 1, and
- Screen the priority CECs to ensure robust analytical methods are available.

Provisions of this framework also include prioritizing chemicals that are presently unknown by using yet-to-be-developed bioanalytical methods to screen for them. Chemicals that are already regulated or being considered for regulation were excluded from review and prioritization, since they are no longer considered “emerging.”

In addition, the Panel also defined an approach to identify indicator compounds for assessing treatment performance, which would include additional CECs or surrogate parameters, such as Total Organic Carbon. The chemicals selected for monitoring would depend upon the treatment process.

The Panel utilized these approaches to screen candidate CECs for toxicological relevance, i.e. potential health impacts. A key finding is that for groundwater recharge projects, they found only 4 compounds that met their criteria, MEC/MTL >1, that should be monitored, including

- 17 Beta-estradiol – steroid hormone,
- Caffeine – stimulant,
- Triclosan – antimicrobial, and
- n-Nitrosodimethylamine (NDMA) – disinfection byproduct.

In addition, 4 additional CECs were identified for surface spreading and direct injection operations as viable performance indicator compounds, including N,N-Diethyl-meta-toluamide or DEET, gemfibrozil, iopromide, and sucralose with certain surrogate parameters (e.g., ammonia, dissolved organic carbon, and conductivity).

It was noted that any monitoring program is for information only and is not intended to be used for regulatory compliance purposes. They further recommended that responses to the detection of these and any other CECs are to be flexible and adjustable, based on findings, and may include repeat monitoring, source investigations, and/or shutdown of operations, depending upon the ratio of MEC/ MTL. Laboratory analytical methods need to be further developed to be robust enough for commercial laboratories to employ. The amount of monitoring for CECs should be based on the level of detections.

For future improvements in monitoring and interpreting CEC data, the Panel recommended better analytical methods, development of bioanalytical screening techniques to better identify future unknowns, and development of a process to predict likely CEC concentrations, based

on production, use, and environmental fate, as a means of prioritizing chemicals on which to focus method development and toxicological investigations.

The Panel submitted their final report to the SWRCB on June 25, 2010. The Executive Summary from the report is attached to this write-up. The SWRCB is expected to consider adoption of this report and its recommendations in November 2010. A copy of the report can be found on the SWRCB website at the following address:

[http://www.swrcb.ca.gov/water\\_issues/programs/water\\_recycling\\_policy/docs/cec\\_monitoring\\_rpt.pdf](http://www.swrcb.ca.gov/water_issues/programs/water_recycling_policy/docs/cec_monitoring_rpt.pdf)

### **FISCAL IMPACT**

None.

### **GROUNDWATER QUALITY COMMITTEE RECOMMENDATION**

For information.

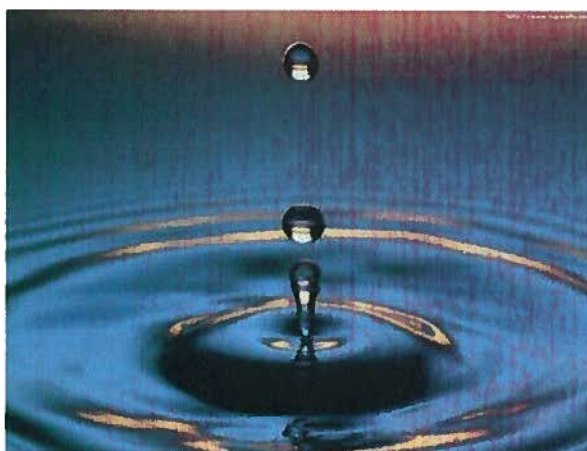
# Final Report

## ***Monitoring Strategies for Chemicals of Emerging Concern (CECs) in Recycled Water***

### **Recommendations of a Science Advisory Panel**

#### **Panel Members**

Paul Anderson, Nancy Denslow, Jörg E. Drewes (*Chair*), Adam Olivieri,  
Daniel Schlenk, and Shane Snyder



Convened by the  
**State Water Resources Control Board**

*June 25, 2010  
Sacramento, California*

## Executive Summary

California presently recycles approximately 650,000 acre-feet of water per year, but has identified the potential to reuse an additional 1.5 million acre-feet in the future. To encourage expanded reuse in a state that is experiencing water shortages, the California State Water Resources Control Board (SWRCB) adopted a Recycled Water Policy in February 2009 intended to provide permitting clarity for recycled water projects. One challenge in developing that policy was how to address new classes of chemicals, such as pharmaceuticals, current use pesticides, and industrial chemicals, collectively referred to as chemicals of emerging concern (CECs). Many CECs are potentially present in recycled water, but the detection of many of these chemicals is so recent that robust methods for their quantification and toxicological data for interpreting potential human or ecosystem health effects are unavailable.

Recognizing that consideration of CEC effects on human health and aquatic life is a rapidly evolving field, and that regulatory requirements need to be based on best available science, the SWRCB included a provision in the Recycled Water Policy to establish a Science Advisory Panel. The Panel's primary charge is to provide guidance for developing monitoring programs that assess potential CEC threats from various water recycling practices, including indirect potable reuse via surface spreading; indirect potable reuse via subsurface injection into a drinking water aquifer; and urban landscape irrigation.

The Panel was formed in May 2009 and includes six national experts in the fields of chemistry, biochemistry, toxicology, epidemiology, risk assessment and engineering, with more than 100 years of combined experience investigating CEC issues. The Panel held four in-person meetings and numerous conference calls over the last year. The meetings included the opportunity for stakeholder input in clarifying their charge, exchange of information, dialog with the Panel and consideration of public comments on the draft report. This report provides the results from the Panel's deliberations, including four products intended to assist the State in refining its recycled water policy.

### **Product #1: A conceptual framework for determining which CECs to monitor**

Given that thousands of chemicals are potentially present in recycled water and that information about those chemicals is rapidly evolving, the Panel recommends that the State rely on a transparent, science-based framework to guide prioritization of which CECs should be included in recycled water monitoring programs both now and in the future as additional data become available. Figure ES1 describes the Panel's recommended framework, which includes four steps:

1. Compile environmental concentrations (e.g., measured environmental concentration or MEC) of CECs in the source water for reuse projects;
2. Develop a monitor triggering level (MTL) for each of these compounds (or groups thereof) based on toxicological relevance;
3. Compare the environmental concentration (e.g., MEC) to the MTL. CECs with a MEC/MTL ratio greater than "1" should be prioritized for monitoring. Compounds

with a ratio less than “1” should only be considered if they represent viable treatment process performance indicators; and,

4. Screen the priority list to ensure that a commercially-available robust analytical method is available for that compound.

This part of the framework is focused on CECs for which there are concentration data from recycled source water and toxicological information. The framework also includes a provision for prioritizing chemicals for which such information is presently unavailable and which are referred to in the framework as “*unknown unknowns*”. For these chemicals, the framework focuses on the prediction of environmental concentrations and the use of bioanalytical and chemical screening methods to identify chemicals for which there is the greatest urgency in developing MEC and MTL data for further assessment. The Panel understands that a chemical-by-chemical approach for prioritization of CECs is difficult because of limited resources and the growing number of CECs being identified. The Panel recognizes that bioanalytical methods will likely be the best way to accomplish this task. Although the USEPA have developed high-throughput bioanalytical screens for chemical testing, a prioritization framework for the evaluation of water using bioanalytical methods is not available at this point in time. However, the Panel encourages this topic to be a focus of research and development and future review meetings by an independent advisory panel (suggested for 2013) as more information becomes available.

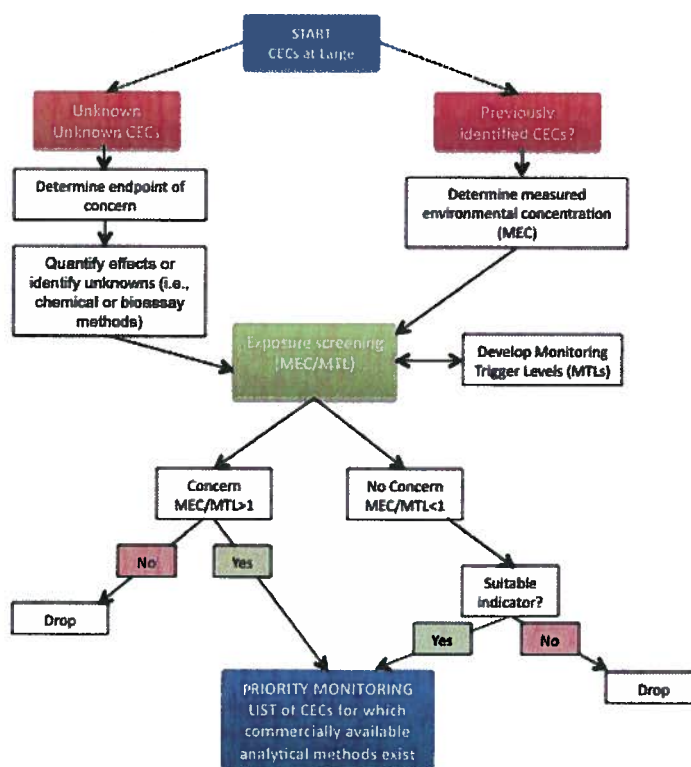


Figure ES1. Conceptual framework to prioritize CECs for inclusion in recycled water monitoring programs.

In addition to defining an approach to select CECs to monitor based on their potential to pose a health risk, the Panel also defined an approach to identify indicator compounds for assessing treatment performance. Most reuse projects employ multiple treatment processes with a demonstrated ability to remove contaminants, but the treatment processes need a monitoring program designed to protect against system performance failures. The Panel’s

recommended approach for monitoring removal of CECs during treatment is to use a combination of surrogate parameters and CEC indicator compounds tailored to monitor the removal efficiency of individual unit processes. An indicator compound is an individual CEC that represents certain physicochemical and biodegradable characteristics of a family of trace organic constituents. The indicator compounds are relevant to fate and transport of broader classes of chemicals and provide a conservative assessment of removal during treatment. A surrogate parameter is a quantifiable change of a bulk parameter that can measure the performance of individual unit processes (often in real-time) or operations in removing trace organic compounds and/or assuring disinfection.

### **Product #2: Application of the framework to identify a list of chemicals that should be monitored presently**

To assist the State in short-term program implementation, the Panel compiled available California MEC data and derived initial MTLs from drinking water benchmarks to apply its recommended screening approach and identify the chemicals that should be prioritized for present CEC monitoring. In applying the framework, the Panel made a number of conservative assumptions (e.g., MECs reported to the Panel are indeed representative for the entire state, analytical method used to quantify are accurate, etc.) to maximize the number of candidate chemicals that are toxicologically relevant.

For groundwater recharge projects, four indicator compounds were prioritized based on their toxicological relevance: N-nitrosodimethylamine, 17beta-estradiol, caffeine, and triclosan. In addition, four additional CECs (N,N-Diethyl-meta-toluamide (DEET), gemfibrozil, iopromide and sucralose) were identified for surface spreading and direct injection operations as viable performance indicator compounds along with certain surrogate parameters (e.g., ammonia, dissolved organic carbon, conductivity), which differ by the type of reuse practice. The Panel also recommended method reporting levels (MRLs) that were compound specific and that ranged from 1 to 100 ng/L for these CECs. For monitoring programs to assess CEC threats for urban irrigation reuse, none of the chemicals for which measurement methods and exposure data are available exceeded the threshold for monitoring priority. This is largely attributable to higher MTLs because of reduced water ingestion in a landscape irrigation setting compared to drinking water. For irrigation applications, the Panel recommends monitoring emphasis be placed on use of surrogate parameters that can demonstrate that the treatment processes employed are effective in removing CECs.

The Panel emphasizes that all compounds listed above represent an initial list based on the limited data that are presently available and on a number of qualifying assumptions discussed in the report. The Panel believes it is critical to emphasize that if a measured or predicted concentration of a CEC at the point of monitoring (POM) exceeds its respective MTL, the finding does not indicate a public health risk exists. The MTLs and their application in the Panel's proposed framework are developed to be conservative and used only for the purpose of prioritizing CECs for monitoring. The Panel's proposed MEC/MTL ratios should not be used to make predictions about risk.

While the priority list of CECs represents a conservative screening of “CECs at large”, the information available for such screening is growing rapidly and the Panel urges the State to reapply this prioritization process on at least a triennial basis. In order to fill data gaps for CECs with limited or no information on MECs in California, the Panel suggests that the State initially conduct a more thorough review of CECs likely to occur in recycled water using MEC and predicted environmental concentration (PEC) data from the peer-reviewed literature and occurrence studies outside California. Those CECs that exhibit MEC/MTL ratios above “1” could be placed on a secondary monitoring list that is measured less frequently to confirm either presence or absence of these CECs in recycled water in California. In addition, this secondary monitoring list could be populated by CECs that exhibit a relatively low MTL (less than 500 ng/L) based on the Panel’s initial screening of various toxicological data bases. Results of these efforts, along with the monitoring data collected as part of the Panel’s recommended program, can provide the basis for revising the proposed initial monitoring list during the next, and each, triennial review.

### **Product #3: A sampling design and approach for interpreting results from CEC monitoring programs**

The Panel recommends a phased, performance-based approach for implementing CEC recycled water monitoring programs and a multi-tiered framework for interpreting the resulting data. Use of multiple tiers allows for a flexible, adaptable response to increase or decrease the information requirements from the monitoring program based on the initial results, providing a cost-effective means for incremental information gathering. The report also contains specific performance-based recommendations regarding strict sampling and analytical measurement quality assurance guidelines that are required at each phase.

The first phase involves screening that would be initiated at project start-up and continue through the early years of project operation. Recommended monitoring frequency during this first phase would be quarterly at project start-up decreasing to twice annually for more mature operational phases. If a specific CEC consistently exhibits low occurrence, the Panel recommends deleting the CEC from further monitoring provided that production data do not suggest a significant increase in use. If CECs exceed thresholds identified in the report, the Panel recommends moving to a second phase of enhanced monitoring to confirm the presence and frequency of such CEC(s). The third phase, should concentrations continue to be high, would require initiation of source identification and/or toxicology studies. The final phase would involve engineering removal studies and/or modification of plant operation if found to be warranted by the results of the third phase.

While the Panel provides recommended thresholds for each of these phases, conservative values were selected because of limited MEC data and constraints on the time the Panel had to review toxicological information. The Panel also understands that differences in recycled water quality and facility operations will occur by region and that investigation of chronic exceedances will need to be tailored on a regional or case-by-case basis. Moreover, the Panel recognizes that these monitoring recommendations are appropriate for investigative purposes and should not be construed as directly applicable for determination of regulatory compliance.

**Product #4: Priorities for future improvements in monitoring and interpretation of CEC data**

The science of CEC investigation is still in its early stages and the State can undertake several activities that will greatly improve both monitoring and data interpretation for recycled water management. The Panel provides a number of such recommendations, including: 1) Develop and validate more and better analytical methods to measure CECs in recycled water; 2) Encourage development of bioanalytical screening techniques that allow better identification of the “unknown unknown” chemicals; and 3) Develop a process to predict likely environmental concentrations of CECs based on production, use and environmental fate, as a means for prioritizing chemicals on which to focus method development and toxicological investigation. These investigations should be conducted with guidance and review by a Science Advisory Panel.

In addition to these research recommendations, the Panel recommends that the State develop a process to rapidly compile, summarize, and evaluate monitoring data as they become available. The Panel further recommends that the State establish an independent review panel, such as this one, that can provide periodic review of the proposed selection approach, reuse practices, and environmental concentrations of ongoing CEC monitoring efforts, particularly as data from the monitoring programs recommended here become available.

*Prepared by:* Ted Johnson  
*Reviewed by:* Phuong Ly  
*Approved by:* Robb Whitaker

**DATE:**            **SEPTEMBER 17, 2010**

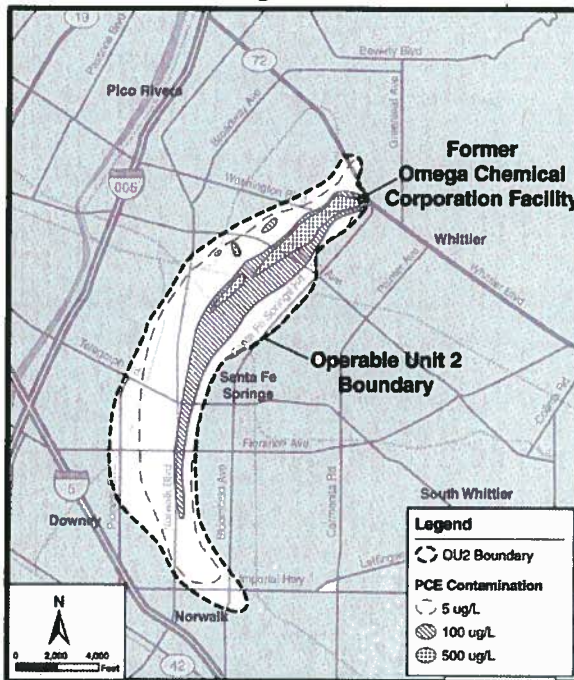
**TO:**               **BOARD OF DIRECTORS**

**FROM:**           **ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT:**       **OMEGA CHEMICAL SUPERFUND SITE UPDATE**

**SUMMARY**

The former Omega Chemical Corporation (Omega), located at 12504 and 12512 East Whittier Boulevard, Whittier, California, operated a refrigerant and solvent recycling, reformulation, and treatment facility from 1976 to 1991. Drums and bulk loads of waste solvents and other chemicals derived from various industrial activities were processed at the facility to produce commercial products. Due to spills and leaks of various chemicals from site operations, the soil and groundwater beneath the Omega property became contaminated with high concentrations of tetrachloroethylene (PCE), trichloroethylene (TCE), Freons 11 and 113, and other contaminants. The contaminated groundwater has moved off site to the south and southwest and currently extends 4.5 miles downgradient to a depth of up to 200 feet. This contamination has already impacted shallow production wells in this area of the Central Basin and is a threat to other production wells. The Omega property is now occupied by a vacant office building and a warehouse, with concrete paving covering all exterior areas. The warehouse is leased to an auto body shop.



**EPA Map of Omega OU-2 PCE Plume**

Investigation and cleanup of the contamination has been under the oversight of the United States Environmental Protection Agency (EPA) since 1995. EPA has divided the Omega contamination into 3 separate areas: Operable Unit 1 (OU-1) addresses the contaminated soil and groundwater in the immediate vicinity of the Omega property; OU-2 addresses the contaminated groundwater downgradient of the site; and OU-3 addresses vapor intrusion from the Omega property that has occurred in several buildings in close proximity to the former facility. Several companies identified as potentially responsible parties (PRPs) for the contamination have formed the Omega Chemical Site PRP Organized Group (OPOG) that continues to perform some of the response actions at the site.

EPA has recently finalized the Remedial Investigation and Feasibility Study (RI/FS) reports for OU-2 and issued a Proposed Plan that discusses an interim remedial action plan to contain the plume of groundwater contamination. The overall objective of the proposed interim remedy is to protect human health and environment by preventing further spreading of the contaminated groundwater to yet uncontaminated portions of the aquifer and nearby production wells. In the Proposed Plan, 6 remedial alternatives were evaluated by EPA with the following key components: extraction of contaminated

groundwater, treatment of the water, use of the groundwater after treatment, conveyance pipelines for untreated and treated water and waste streams, groundwater monitoring, and institutional controls. Costs were also estimated for each alternative. Based on their evaluation, EPA recommended Alternative 6, which is to pump out the contaminated groundwater, treat it to safe potable standards, and serve the treated water as a drinking water source to the surrounding communities. EPA believes that this alternative is the most cost effective remedy to achieve significant risk reduction by containing the contaminated plume to the same degree or better than the other alternatives – it provides permanent and significant reduction in the toxicity, mobility, and volume of volatile organic compounds in the groundwater within OU-2. This Proposed Plan is currently out for public review and any written comments must be submitted to EPA by October 21, 2010. EPA documents and details regarding the Omega site can be found on the EPA's website at <http://www.epa.gov/region9/omegachemical>

WRD has been monitoring EPA's progress on the OU-2 investigation and remediation efforts for over 7 years. WRD Staff formed the Central and West Coast Basins Groundwater Contamination Forum, which meets every four months with all of the regulatory agencies and other stakeholders in the region to discuss the Omega site and numerous other contaminated sites. WRD has also received a State grant under AB303 to conduct an investigation of the Omega plume with the United States Geological Survey to identify potential geologic pathways for the shallow Omega contamination to migrate down into the deeper drinking water aquifers. Results are due in less than 2 years and may be instrumental in helping EPA refine the interim remedial plan or to design the final remedial plan. In addition, Staff and our consultant are performing a detailed analysis of the RI/FS reports and Proposed Plan in preparation of submitting comments to the EPA by October 21st. And finally, WRD has been attending separate meetings with EPA, other regulatory agencies, and some of the local groundwater pumpers to discuss the plans and concerns. WRD wants to ensure that EPA understands all of the complexities with a pump and treat potable system, including any pumper concerns, adjudicated water rights issues, the replenishment assessment, replenishment needs, potential impacts to pumpers, waste/brine disposal, and having a contingency plan in case the interim measure does not prevent the plume from spreading or if EPA cannot find any pumpers to take the treated groundwater.

#### **FISCAL IMPACT**

None at this time.

#### **STAFF RECOMMENDATION**

For Information.



## MEMORANDUM

### ITEM NO. 9

<i>Prepared by:</i>	Ted Johnson
<i>Reviewed by:</i>	Jason Weeks
<i>Approved by:</i>	Robb Whitaker

**DATE: SEPTEMBER 17, 2010**

**TO: BOARD OF DIRECTORS**

**FROM: ROBB WHITAKER, GENERAL MANAGER**

**SUBJECT: TIER 1 WATER PURCHASE AGREEMENT WITH CENTRAL BASIN MWD**

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### SUMMARY

October 1, 2010 will mark the start of the new Water Year and an opportunity for WRD to start purchasing imported water for groundwater replenishment. Because the Metropolitan Water District of Southern California (MWD) is still not making surplus seasonal imported replenishment water available, WRD has budgeted for untreated Tier 1 water to use for replenishment this Fiscal Year. The availability of Tier 1 water is based on an allocation that individual MWD member agencies receive from MWD.

CBMWD has informed WRD Staff that they can make available up to 18,000 acre-feet (af) and possibly more of untreated Tier 1 water to WRD for spreading between October 1, 2010 and April 30, 2011. Because this is a Tier 1 purchase and not the normal seasonal water purchase, Staff is recommending an agreement with CBMWD to document the terms and conditions for the water sale and delivery. The Agreement will run from October 1, 2010 through April 30, 2011 to avoid MWD Capacity Charges. The purpose of the Agreement is to establish a certainty of price at Tier 1 rates to avoid exposure to additional surcharges or allocation penalties.

### FISCAL IMPACT

The price of untreated Tier 1 water from CBMWD is \$588/af before January 1, 2011 (includes \$484/af MWD commodity rate, \$18/af MWD readiness to serve charge, and \$86/af CBMWD surcharge). The price will increase to \$638/af on January 1, 2011 due to a MWD increase (includes \$527/af MWD commodity rate, \$25/af MWD RTS, and \$86/af CBMWD surcharge). WRD will not be responsible for any costs beyond these established rates.

Assuming 8,000 af is purchased in 2010 and 10,000 af is purchased in 2011, the total cost would be \$11,084,000. This is a budgeted item.

### STAFF RECOMMENDATION

Authorize the General Manager to enter into an agreement with Central Basin Municipal Water District, subject to approval of form by District Counsel, for the purchase of untreated Tier 1 imported water for groundwater replenishment between October 1, 2010 and April 30, 2011 (within the District's current Fiscal Year).